

1 AN ACT

2 relating to the creation, organization, governance, duties, and
3 functions of the Texas Department of Motor Vehicles, including the
4 transfer of certain duties to the Texas Department of Motor
5 Vehicles and the Texas Department of Licensing and Regulation, and
6 to the regulation of certain franchised motor vehicle dealers;
7 providing a penalty.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

9 ARTICLE 1. TEXAS DEPARTMENT OF MOTOR VEHICLES

10 SECTION 1.01. Title 7, Transportation Code, is amended by
11 adding Subtitle M to read as follows:

12 SUBTITLE M. DEPARTMENT OF MOTOR VEHICLES

13 CHAPTER 1001. ORGANIZATION OF DEPARTMENT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 1001.001. DEFINITIONS. In this subtitle:

16 (1) "Board" means the board of the department.

17 (2) "Department" means the Texas Department of Motor
18 Vehicles.

19 Sec. 1001.002. CREATION OF DEPARTMENT; DUTIES. (a) The
20 department is created as an agency of this state.

21 (b) In addition to the other duties required of the Texas
22 Department of Motor Vehicles, the department shall administer and
23 enforce:

24 (1) Subtitle A;

1 (2) Chapters 642, 643, 645, 646, and 648; and

2 (3) Chapters 2301 and 2302, Occupations Code.

3 Sec. 1001.003. COMPOSITION OF DEPARTMENT. The department
4 is composed of an executive director appointed by the board and
5 other employees required to efficiently implement:

6 (1) this subtitle;

7 (2) other applicable vehicle laws of this state; and

8 (3) other laws that grant jurisdiction to or are
9 applicable to the department.

10 Sec. 1001.004. DIVISIONS. The board shall organize the
11 department into divisions to accomplish the department's functions
12 and the duties assigned to it, including divisions for:

13 (1) administration;

14 (2) motor carriers;

15 (3) motor vehicle board; and

16 (4) vehicle titles and registration.

17 Sec. 1001.005. SUNSET PROVISION. The department is subject
18 to Chapter 325, Government Code (Texas Sunset Act). Unless
19 continued in existence as provided by that chapter, the department
20 is abolished September 1, 2015.

21 Sec. 1001.006. DEFENSE BY ATTORNEY GENERAL. The attorney
22 general shall defend an action brought against the board or the
23 department or an action brought against an employee of the
24 department as a result of the employee's official act or omission,
25 regardless of whether at the time of the institution of the action
26 that person has terminated service with the department.

27 [Sections 1001.007-1001.020 reserved for expansion]

1 SUBCHAPTER B. BOARD OF DEPARTMENT OF MOTOR VEHICLES

2 Sec. 1001.021. BOARD. (a) The board consists of nine
3 members appointed by the governor with the advice and consent of the
4 senate.

5 (b) Three members must be persons who hold a dealer's
6 license issued under Chapter 2301, Occupations Code, of whom two
7 must be franchised dealers of different classes and one must be an
8 independent dealer; one member must be a representative of a
9 manufacturer or distributor that holds a license issued under
10 Chapter 2301, Occupations Code; one member must be a tax
11 assessor-collector; one member must be a representative of a law
12 enforcement agency of a county or municipality; and one member must
13 be a representative of the motor carrier industry. The remaining
14 members must be public members.

15 (c) Except as necessary to comply with Subsection (b), a
16 person is not eligible for appointment as a member of the board if
17 the person or the person's spouse:

18 (1) is employed by or participates in the management
19 of a business entity or other organization that is regulated by or
20 receives funds from the department;

21 (2) directly or indirectly owns or controls more than
22 10 percent interest in a business entity or other organization that
23 is regulated by or receives funds from the department;

24 (3) uses or receives a substantial amount of tangible
25 goods, services, or funds from the department, other than
26 compensation or reimbursement authorized by law for board
27 membership, attendance, or expenses; or

1 (4) is registered, certified, or licensed by the
2 department.

3 (d) A person required to register as a lobbyist under
4 Chapter 305, Government Code, because of the person's activities
5 for compensation on behalf of a profession related to the operation
6 of the department may not serve as a member of the board.

7 (e) Appointments to the board shall be made without regard
8 to race, color, disability, sex, religion, age, or national origin
9 of the appointees and shall reflect the diversity of the population
10 of the state as a whole.

11 Sec. 1001.022. TERMS. Members of the board serve staggered
12 six-year terms, with the terms of either one or two members expiring
13 February 1 of each odd-numbered year.

14 Sec. 1001.023. CHAIR AND VICE CHAIR; DUTIES. (a) The
15 governor shall appoint one of the board's members chair of the
16 board. The board shall elect one of its members vice chair of the
17 board. A chair or vice chair serves at the pleasure of the board.

18 (b) The chair shall:

19 (1) preside over board meetings, make rulings on
20 motions and points of order, and determine the order of business;

21 (2) represent the department in dealing with the
22 governor;

23 (3) report to the governor on the state of affairs of
24 the department at least quarterly;

25 (4) report to the board the governor's suggestions for
26 department operations;

27 (5) report to the governor on efforts, including

1 legislative requirements, to maximize the efficiency of department
2 operations through the use of private enterprise;

3 (6) periodically review the department's
4 organizational structure and submit recommendations for structural
5 changes to the governor, the board, and the Legislative Budget
6 Board;

7 (7) designate one or more employees of the department
8 as a civil rights division of the department and receive regular
9 reports from the division on the department's efforts to comply
10 with civil rights legislation and administrative rules;

11 (8) create subcommittees, appoint board members to
12 subcommittees, and receive the reports of subcommittees to the
13 board as a whole;

14 (9) appoint a member of the board to act in the chair's
15 absence; and

16 (10) serve as the departmental liaison with the
17 governor and the Office of State-Federal Relations to maximize
18 federal funding for transportation.

19 Sec. 1001.024. BOARD MEETINGS. The board shall hold
20 regular meetings at least quarterly and special meetings at the
21 call of the chair. Board members shall attend the meetings of the
22 board. The chair shall oversee the preparation of an agenda for
23 each meeting and ensure that a copy is provided to each board member
24 at least seven days before the meeting.

25 Sec. 1001.025. RECOMMENDATIONS TO LEGISLATURE. (a) The
26 board shall consider ways in which the department's operations may
27 be improved and may periodically report to the legislature

1 concerning potential statutory changes that would improve the
2 operation of the department.

3 (b) On behalf of the board, the chair shall report to the
4 governor, the lieutenant governor, the speaker of the house of
5 representatives, and the presiding officers of relevant
6 legislative committees on legislative recommendations adopted by
7 the board and relating to the operation of the department.

8 Sec. 1001.026. COMPENSATION. A member of the board is
9 entitled to compensation as provided by the General Appropriations
10 Act. If compensation for board members is not provided by that Act,
11 each member is entitled to reimbursement for actual and necessary
12 expenses incurred in performing functions as a member of the board.

13 Sec. 1001.027. GROUNDS FOR REMOVAL. (a) It is a ground for
14 removal from the board if a board member:

15 (1) does not have at the time of appointment or
16 maintain during service on the board the qualifications required by
17 Section 1001.021;

18 (2) violates a prohibition provided by Section
19 1001.021;

20 (3) cannot discharge the member's duties for a
21 substantial part of the term for which the member is appointed
22 because of illness or disability; or

23 (4) is absent from more than half of the regularly
24 scheduled board meetings that the board member is eligible to
25 attend during a calendar year, unless the absence is excused by
26 majority vote of the board.

27 (b) The validity of an action of the board is not affected by

1 the fact that it is taken when a ground for removal of a board member
2 exists.

3 (c) If the executive director of the department knows that a
4 potential ground for removal exists, the director shall notify the
5 chair of the board of the ground, and the chair shall notify the
6 governor and the attorney general that a potential ground for
7 removal exists. If the potential ground for removal relates to the
8 chair, the director shall notify another board member, who shall
9 notify the governor and the attorney general that a potential
10 ground for removal exists.

11 Sec. 1001.028. CONFLICT OF INTEREST. (a) A member of the
12 board shall disclose in writing to the executive director if the
13 member has an interest in a matter before the board or has a
14 substantial financial interest in an entity that has a direct
15 interest in the matter.

16 (b) The member shall recuse himself or herself from the
17 board's deliberations and actions on the matter in Subsection (a)
18 and may not participate in the board's decision on the matter.

19 (c) A person has a substantial financial interest in an
20 entity if the person:

21 (1) is an employee, member, director, or officer of
22 the entity; or

23 (2) owns or controls, directly or indirectly, more
24 than a five percent interest in the entity.

25 Sec. 1001.029. INFORMATION ON QUALIFICATIONS AND CONDUCT.

26 The department shall provide to the members of the board, as often
27 as necessary, information concerning the members' qualifications

1 for office and their responsibilities under applicable laws
2 relating to standards of conduct for state officers.

3 Sec. 1001.030. TRAINING ON DEPARTMENT AND CERTAIN LAWS
4 RELATING TO DEPARTMENT. (a) To be eligible to take office as a
5 member of the board, a person appointed to the board must complete
6 at least one course of a training program that complies with this
7 section.

8 (b) The training program must provide information to the
9 person regarding:

- 10 (1) this subchapter;
- 11 (2) the programs operated by the department;
- 12 (3) the role and functions of the department;
- 13 (4) the rules of the department with an emphasis on the
14 rules that relate to disciplinary and investigatory authority;
- 15 (5) the current budget for the department;
- 16 (6) the results of the most recent formal audit of the
17 department;
- 18 (7) the requirements of the:
 - 19 (A) open meetings law, Chapter 551, Government
20 Code;
 - 21 (B) open records law, Chapter 552, Government
22 Code; and
 - 23 (C) administrative procedure law, Chapter 2001,
24 Government Code;
- 25 (8) the requirements of the conflict of interest laws
26 and other laws relating to public officials; and
- 27 (9) any applicable ethics policies adopted by the

1 board or the Texas Ethics Commission.

2 (c) A person appointed to the board is entitled to
3 reimbursement for travel expenses incurred in attending the
4 training program, as provided by the General Appropriations Act and
5 as if the person were a member of the board.

6 Sec. 1001.031. ADVISORY COMMITTEES. (a) The board shall
7 establish separate advisory committees for the motor carrier, motor
8 vehicles, and vehicle titles and registration divisions to make
9 recommendations to the board or the executive director on the
10 operation of the applicable division. A committee has the
11 purposes, powers, and duties, including the manner of reporting its
12 work, prescribed by the board. A committee and each committee
13 member serves at the will of the board.

14 (b) The board shall appoint persons to each advisory
15 committee who:

16 (1) are selected from a list provided by the executive
17 director; and

18 (2) have knowledge about and interests in, and
19 represent a broad range of viewpoints about, the work of the
20 committee or applicable division.

21 (c) The advisory committee for the motor vehicles division
22 must include a member to represent motor vehicle manufacturers and
23 a member to represent the recreational vehicle industry.

24 (d) The advisory committee for the motor carrier division
25 must include a member to represent the motor transportation
26 industry.

27 (e) A member of an advisory committee may not be compensated

1 by the board or the department for committee service.

2 [Sections 1001.032-1001.040 reserved for expansion]

3 SUBCHAPTER C. PERSONNEL

4 Sec. 1001.041. DEPARTMENT PERSONNEL. (a) Subject to the
5 General Appropriations Act or other law, the executive director
6 shall appoint deputies, assistants, and other personnel as
7 necessary to carry out the powers and duties of the department under
8 this code, other applicable vehicle laws of this state, and other
9 laws granting jurisdiction or applicable to the department.

10 (b) A person appointed under this section must have the
11 professional and administrative experience necessary to qualify
12 the person for the position to which the person is appointed.

13 Sec. 1001.042. DIVISION OF RESPONSIBILITIES. The board
14 shall develop and implement policies that clearly define the
15 respective responsibilities of the director and the staff of the
16 department.

17 Sec. 1001.043. EQUAL EMPLOYMENT OPPORTUNITY POLICY;
18 REPORT. (a) The executive director or the director's designee
19 shall prepare and maintain a written policy statement to ensure
20 implementation of a program of equal employment opportunity under
21 which all personnel transactions are made without regard to race,
22 color, disability, sex, religion, age, or national origin. The
23 policy statement must include:

24 (1) personnel policies, including policies relating
25 to recruitment, evaluation, selection, appointment, training, and
26 promotion of personnel that are in compliance with Chapter 21,
27 Labor Code;

1 (2) a comprehensive analysis of the department
2 workforce that meets federal and state guidelines;

3 (3) procedures by which a determination can be made of
4 significant underuse in the department workforce of all persons for
5 whom federal or state guidelines encourage a more equitable
6 balance; and

7 (4) reasonable methods to appropriately address those
8 areas of significant underuse.

9 (b) A policy statement prepared under this section must:

10 (1) cover an annual period;

11 (2) be updated annually;

12 (3) be reviewed by the civil rights division of the
13 Texas Workforce Commission for compliance with Subsection (a); and

14 (4) be filed with the governor.

15 (c) The governor shall deliver a biennial report to the
16 legislature based on the information received under Subsection (b).
17 The report may be made separately or as a part of other biennial
18 reports made to the legislature.

19 Sec. 1001.044. QUALIFICATIONS AND STANDARDS OF CONDUCT.

20 The executive director shall provide to department employees, as
21 often as necessary, information regarding their:

22 (1) qualification for office or employment under this
23 subtitle; and

24 (2) responsibilities under applicable laws relating
25 to standards of conduct for state employees.

26 Sec. 1001.045. CAREER LADDER PROGRAM; PERFORMANCE
27 EVALUATIONS. (a) The executive director or the director's

1 designee shall develop an intra-agency career ladder program. The
2 program must require intra-agency posting of all nonentry level
3 positions concurrently with any public posting.

4 (b) The executive director or the director's designee shall
5 develop a system of annual performance evaluations. All merit pay
6 for department employees must be based on the system established
7 under this subsection.

8 CHAPTER 1002. RULES

9 Sec. 1002.001. GENERAL RULEMAKING AUTHORITY. The board may
10 adopt any rules necessary and appropriate to implement the powers
11 and duties of the department under this code and other laws of this
12 state.

13 Sec. 1002.002. RULES RESTRICTING ADVERTISING OR
14 COMPETITIVE BIDDING. The board may not adopt rules restricting
15 advertising or competitive bidding by a person regulated by the
16 department except to prohibit false, misleading, or deceptive
17 practices by the person.

18 CHAPTER 1003. DEPARTMENT PROCEDURES

19 Sec. 1003.001. APPLICABILITY OF CERTAIN LAWS. Except as
20 specifically provided by law, the department is subject to Chapters
21 2001 and 2002, Government Code.

22 Sec. 1003.002. SUMMARY PROCEDURES FOR ROUTINE MATTERS.

23 (a) The board or the department by rule may:

24 (1) create a summary procedure for routine matters;
25 and

26 (2) designate department activities that otherwise
27 would be subject to Chapter 2001, Government Code, as routine

1 matters to be handled under the summary procedure.

2 (b) An activity may be designated as a routine matter only
3 if the activity is:

4 (1) voluminous;

5 (2) repetitive;

6 (3) believed to be noncontroversial; and

7 (4) of limited interest to anyone other than persons
8 immediately involved in or affected by the proposed department
9 action.

10 (c) The rules may establish procedures different from those
11 contained in Chapter 2001, Government Code. The procedures must
12 require, for each party directly involved, notice of a proposed
13 negative action not later than the fifth day before the date the
14 action is proposed to be taken.

15 (d) A rule adopted by the board under this section may
16 provide for the delegation of authority to take action on a routine
17 matter to a salaried employee of the department designated by the
18 board.

19 Sec. 1003.003. REVIEW OF ACTION ON ROUTINE MATTER. (a) A
20 person directly or indirectly affected by an action of the board or
21 the department on a routine matter taken under the summary
22 procedure adopted under Section 1003.002 is entitled to a review of
23 the action under Chapter 2001, Government Code.

24 (b) The person must apply to the board not later than the
25 60th day after the date of the action to be entitled to the review.

26 (c) The timely filing of the application for review
27 immediately stays the action pending a hearing on the merits.

1 (d) The board may adopt rules relating to an application for
2 review under this section and consideration of the application.

3 Sec. 1003.004. INFORMAL DISPOSITION OF CERTAIN CONTESTED
4 CASES. The board or the department, as applicable, may, on written
5 agreement or stipulation of each party and any intervenor,
6 informally dispose of a contested case in accordance with Section
7 2001.056, Government Code, notwithstanding any provision of this
8 code or other law that requires a hearing before the board or the
9 department, as applicable.

10 CHAPTER 1004. PUBLIC ACCESS

11 Sec. 1004.001. ACCESS TO PROGRAMS AND FACILITIES. (a) The
12 department shall prepare and maintain a written plan that describes
13 how a person who does not speak English may be provided reasonable
14 access to the department's programs.

15 (b) The department shall comply with federal and state laws
16 for program and facility accessibility.

17 Sec. 1004.002. PUBLIC COMMENT. The board and the
18 department shall develop and implement policies that provide the
19 public with a reasonable opportunity to appear before the board or
20 the department and to speak on any issue under the jurisdiction of
21 the board or the department.

22 Sec. 1004.003. PUBLIC REPRESENTATION ON ADVISORY BODY.
23 (a) At least one-half of the membership of each advisory body
24 appointed by the board, other than an advisory body whose
25 membership is determined by this code or by other law, must
26 represent the general public.

27 (b) A public representative may not be:

- 1 (1) an officer, director, or employee of a business
2 entity regulated by the department;
3 (2) a person required to register with the Texas
4 Ethics Commission under Chapter 305, Government Code; or
5 (3) a person related within the second degree by
6 affinity or consanguinity to a person described by Subdivision (1)
7 or (2).

8 CHAPTER 1005. STANDARDS OF CONDUCT

9 Sec. 1005.001. APPLICATION OF LAW RELATING TO ETHICAL
10 CONDUCT. The board, the executive director, and each employee or
11 agent of the department is subject to the code of ethics and the
12 standard of conduct imposed by Chapter 572, Government Code, and
13 any other law regulating the ethical conduct of state officers and
14 employees.

15 ARTICLE 2. TRANSFER OF DUTIES AND FUNCTIONS OF THE TEXAS DEPARTMENT
16 OF TRANSPORTATION

17 PART A. GENERAL PROVISIONS AND ADMINISTRATION

18 SECTION 2A.01. Subsection (a), Section 201.202,
19 Transportation Code, is amended to read as follows:

20 (a) The commission shall organize the department into
21 divisions to accomplish the department's functions and the duties
22 assigned to it, including divisions for:

- 23 (1) aviation;
24 (2) highways and roads; and
25 (3) public transportation~~[, and~~
26 ~~[(4) motor vehicle titles and registration]~~.

27 SECTION 2A.02. Subdivision (2), Section 201.931,

1 Transportation Code, is amended to read as follows:

2 (2) "License" includes:

3 (A) a permit issued by the department that
4 authorizes the operation of a vehicle and its load or a combination
5 of vehicles and load exceeding size or weight limitations; and

6 (B) [~~a motor carrier registration issued under~~
7 ~~Chapter 643,~~

8 [~~(C) a vehicle storage facility license issued~~
9 ~~under Chapter 2303, Occupations Code,~~

10 [~~(D)] a license or permit for outdoor advertising~~

11 issued under Chapter 391 or 394[~~+~~

12 [~~(E) a salvage vehicle dealer or agent license~~
13 ~~issued under Chapter 2302, Occupations Code,~~

14 [~~(F) specially designated or specialized license~~
15 ~~plates issued under Subchapters E and F, Chapter 502,~~ and
16 [~~(G) an apportioned registration issued~~
17 ~~according to the International Registration Plan under Section~~
18 ~~502.054].~~

19 SECTION 2A.03. Subsection (c), Section 201.202,
20 Transportation Code, is repealed.

21 PART B. STATE HIGHWAY TOLL PROJECTS

22 SECTION 2B.01. Subsections (b) and (h), Section 228.055,
23 Transportation Code, are amended to read as follows:

24 (b) The department may impose and collect the
25 administrative fee, so as to recover the cost of collecting the
26 unpaid toll, not to exceed \$100. The department shall send a
27 written notice of nonpayment to the registered owner of the vehicle

1 at that owner's address as shown in the vehicle registration
2 records of the Texas Department of Motor Vehicles [~~department~~] by
3 first class mail and may require payment not sooner than the 30th
4 day after the date the notice was mailed. The registered owner
5 shall pay a separate toll and administrative fee for each event of
6 nonpayment under Section 228.054.

7 (h) In this section, "registered owner" means the owner of a
8 vehicle as shown on the vehicle registration records of the Texas
9 Department of Motor Vehicles [~~department~~] or the analogous
10 department or agency of another state or country.

11 SECTION 2B.02. Subsection (b), Section 228.056,
12 Transportation Code, is amended to read as follows:

13 (b) In the prosecution of an offense under Section
14 228.055(c), (d), or (e):

15 (1) it is presumed that the notice of nonpayment was
16 received on the fifth day after the date of mailing;

17 (2) a computer record of the Texas Department of Motor
18 Vehicles [~~department~~] of the registered owner of the vehicle is
19 prima facie evidence of its contents and that the defendant was the
20 registered owner of the vehicle when the underlying event of
21 nonpayment under Section 228.054 occurred; and

22 (3) a copy of the rental, lease, or other contract
23 document covering the vehicle on the date of the underlying event of
24 nonpayment under Section 228.054 is prima facie evidence of its
25 contents and that the defendant was the lessee of the vehicle when
26 the underlying event of nonpayment under Section 228.054 occurred.

1 PART C. CAUSEWAYS, BRIDGES, TUNNELS, TURNPIKES, FERRIES, AND

2 HIGHWAYS IN CERTAIN COUNTIES

3 SECTION 2C.01. Subsections (b), (e), and (h), Section
4 284.0701, Transportation Code, are amended to read as follows:

5 (b) The county may impose and collect the administrative
6 cost so as to recover the expense of collecting the unpaid toll, not
7 to exceed \$100. The county shall send a written notice of
8 nonpayment to the registered owner of the vehicle at that owner's
9 address as shown in the vehicle registration records of the Texas
10 Department of Motor Vehicles [~~department~~] by first-class mail not
11 later than the 30th day after the date of the alleged failure to pay
12 and may require payment not sooner than the 30th day after the date
13 the notice was mailed. The registered owner shall pay a separate
14 toll and administrative cost for each event of nonpayment under
15 Section 284.070.

16 (e) It is an exception to the application of Subsection (a)
17 or (c) if the registered owner of the vehicle transferred ownership
18 of the vehicle to another person before the event of nonpayment
19 under Section 284.070 occurred, submitted written notice of the
20 transfer to the Texas Department of Motor Vehicles [~~department~~] in
21 accordance with Section 520.023, and before the 30th day after the
22 date the notice of nonpayment is mailed, provides to the county the
23 name and address of the person to whom the vehicle was transferred.
24 If the former owner of the vehicle provides the required
25 information within the period prescribed, the county may send a
26 notice of nonpayment to the person to whom ownership of the vehicle
27 was transferred at the address provided by the former owner by

1 first-class mail before the 30th day after the date of receipt of
2 the required information from the former owner. The subsequent
3 owner of the vehicle for which the proper toll was not paid who is
4 mailed a written notice of nonpayment under this subsection and
5 fails to pay the proper toll and administrative cost within the time
6 specified by the notice of nonpayment commits an offense. The
7 subsequent owner shall pay a separate toll and administrative cost
8 for each event of nonpayment under Section 284.070. Each failure to
9 pay a toll or administrative cost under this subsection is a
10 separate offense.

11 (h) In this section, "registered owner" means the owner of a
12 vehicle as shown on the vehicle registration records of the Texas
13 Department of Motor Vehicles [~~department~~] or the analogous
14 department or agency of another state or country.

15 PART D. CERTIFICATE OF TITLE ACT

16 SECTION 2D.01. Subdivision (3), Section 501.002,
17 Transportation Code, is amended to read as follows:

18 (3) "Department" means the Texas Department of Motor
19 Vehicles [~~Transportation~~].

20 PART E. REGISTRATION OF VEHICLES

21 SECTION 2E.01. Section 502.001, Transportation Code, is
22 amended by adding Subdivision (1-a) and amending Subdivision (3) to
23 read as follows:

24 (1-a) "Board" means the board of the Texas Department
25 of Motor Vehicles.

26 (3) "Department" means the Texas Department of Motor
27 Vehicles [~~Transportation~~].

1 SECTION 2E.02. Section 502.051, Transportation Code, is
2 amended to read as follows:

3 Sec. 502.051. DEPOSIT OF REGISTRATION FEES IN STATE HIGHWAY
4 FUND. Except as otherwise provided by this chapter, the board
5 [~~Texas Transportation Commission~~] and the department shall deposit
6 all money received from registration fees in the state treasury to
7 the credit of the state highway fund.

8 SECTION 2E.03. Section 502.052(a), Transportation Code, is
9 amended to read as follows:

10 (a) The department shall prepare the designs and
11 specifications of license plates and devices selected by the board
12 [~~Texas Transportation Commission~~] to be used as the registration
13 insignia.

14 SECTION 2E.04. Subsections (a) and (b), Section 502.053,
15 Transportation Code, are amended to read as follows:

16 (a) The department [~~Texas Department of Transportation~~]
17 shall reimburse the Texas Department of Criminal Justice for the
18 cost of manufacturing license plates or registration insignia as
19 the license plates or insignia and the invoice for the license
20 plates or insignia are delivered to the department [~~Texas~~
21 ~~Department of Transportation~~].

22 (b) When manufacturing is started, the Texas Department of
23 Criminal Justice, the department [~~Texas Department of~~
24 ~~Transportation~~], and the comptroller, after negotiation, shall set
25 the price to be paid for each license plate or insignia. The price
26 must be determined from:

27 (1) the cost of metal, paint, and other materials

1 purchased;

2 (2) the inmate maintenance cost per day;

3 (3) overhead expenses;

4 (4) miscellaneous charges; and

5 (5) a previously approved amount of profit for the
6 work.

7 SECTION 2E.05. Section 502.1515, Transportation Code, is
8 amended to read as follows:

9 Sec. 502.1515. OUTSOURCING PRODUCTION OF RENEWAL NOTICES;
10 PAID ADVERTISING. The board [~~commission~~] may authorize the
11 department to enter into a contract with a private vendor to produce
12 and distribute motor vehicle registration renewal notices. The
13 contract may provide for the inclusion of paid advertising in the
14 registration renewal notice packet.

15 SECTION 2E.06. Section 502.352(c), Transportation Code, is
16 amended to read as follows:

17 (c) A person may obtain a permit under this section by:

18 (1) applying to the county assessor-collector, the
19 department, or the department's wire service agent, if the
20 department has a wire service agent;

21 (2) paying a fee of \$25 for a 72-hour permit or \$50 for
22 a 144-hour permit:

23 (A) in cash;

24 (B) by postal money order;

25 (C) by certified check;

26 (D) by wire transfer through the department's
27 wire service agent, if any;

1 (E) by an escrow account; or

2 (F) where the service is provided, by a credit
3 card issued by:

4 (i) a financial institution chartered by a
5 state or the United States; or

6 (ii) a nationally recognized credit
7 organization approved by the board [~~Texas Transportation~~
8 ~~Commission~~];

9 (3) paying a discount or service charge for a credit
10 card payment or escrow account, in addition to the fee; and

11 (4) furnishing to the county assessor-collector, the
12 department, or the department's wire service agent, evidence of
13 financial responsibility for the vehicle that complies with
14 Sections 502.153(c) and 601.168(a) and is written by an insurance
15 company or surety company authorized to write motor vehicle
16 liability insurance in this state.

17 SECTION 2E.07. Section 502.355(h), Transportation Code, is
18 amended to read as follows:

19 (h) A person operating a vehicle under a permit issued under
20 this section commits an offense if the person:

21 (1) transports farm products to a place of market,
22 storage, or processing or a railhead or seaport that is farther from
23 the place of production or point of entry, as appropriate, than the
24 distance provided for in the permit; or

25 (2) follows a route other than that prescribed by the
26 board [~~Texas Transportation Commission~~].

1 PART F. DEALER'S AND MANUFACTURER'S VEHICLE LICENSE PLATES

2 SECTION 2F.01. Subdivisions (2) and (5), Section 503.001,
3 Transportation Code, are amended to read as follows:

4 (2) "Commission" means the board of the Texas
5 Department of Motor Vehicles [~~Texas Transportation Commission~~].

6 (5) "Department" means the Texas Department of Motor
7 Vehicles [~~Transportation~~].

8 PART G. SPECIALTY LICENSE PLATES

9 SECTION 2G.01. Section 504.001(a), Transportation Code, is
10 amended to read as follows:

11 (a) In this chapter:

12 (1) "Board" means the board of the Texas Department of
13 Motor Vehicles [~~,"commission" and "director" have the meanings~~
14 ~~assigned by Section 201.001~~].

15 (2) "Department" means the Texas Department of Motor
16 Vehicles.

17 SECTION 2G.02. Section 504.004, Transportation Code, is
18 amended to read as follows:

19 Sec. 504.004. RULES AND FORMS. The board [~~commission~~] may
20 adopt rules and the department may issue forms to implement and
21 administer this chapter.

22 SECTION 2G.03. Sections 504.851(b), (c), and (d),
23 Transportation Code, are amended to read as follows:

24 (b) Instead of the fees established by Section 504.101(c),
25 the board [~~commission~~] by rule shall establish fees for the
26 issuance or renewal of personalized license plates that are
27 marketed and sold by the private vendor. Fees must be reasonable

1 and not less than the greater of:

2 (1) the amounts necessary to allow the department to
3 recover all reasonable costs to the department associated with the
4 evaluation of the competitive sealed proposals received by the
5 department and with the implementation and enforcement of the
6 contract, including direct, indirect, and administrative costs; or

7 (2) the amount established by Section 504.101(c).

8 (c) The board [~~commission~~] by rule shall establish the fees
9 for the issuance or renewal of souvenir license plates, specialty
10 license plates, or souvenir or specialty license plates that are
11 personalized that are marketed and sold by the private vendor. Fees
12 must be reasonable and not less than the amounts necessary to allow
13 the department to recover all reasonable costs to the department
14 associated with the evaluation of the competitive sealed proposals
15 received by the department and with the implementation and
16 enforcement of the contract, including direct, indirect, and
17 administrative costs. A fee established under this subsection is
18 in addition to:

19 (1) the registration fee and any optional registration
20 fee prescribed by this chapter for the vehicle for which specialty
21 license plates are issued;

22 (2) any additional fee prescribed by this subchapter
23 for the issuance of specialty license plates for that vehicle; and

24 (3) any additional fee prescribed by this subchapter
25 for the issuance of personalized license plates for that vehicle.

26 (d) At any time as necessary to comply with Subsection (b)
27 or (c), the board [~~commission~~] may increase or decrease the amount

1 of a fee established under the applicable subsection.

2 PART H. MISCELLANEOUS PROVISIONS

3 SECTION 2H.01. Section 520.001, Transportation Code, is
4 amended to read as follows:

5 Sec. 520.001. DEFINITION. In this chapter, "department"
6 means the Texas Department of Motor Vehicles [~~Transportation~~].

7 PART I. OPERATION OF BICYCLES, MOPEDS, AND PLAY VEHICLES

8 SECTION 2I.01. Section 551.302, Transportation Code, is
9 amended to read as follows:

10 Sec. 551.302. REGISTRATION. The Texas Department of Motor
11 Vehicles [~~Transportation~~] may adopt rules relating to the
12 registration and issuance of license plates to neighborhood
13 electric vehicles.

14 PART J. MOTOR VEHICLE SAFETY RESPONSIBILITY ACT

15 SECTION 2J.01. Section 601.023, Transportation Code, is
16 amended to read as follows:

17 Sec. 601.023. PAYMENT OF STATUTORY FEES. The department
18 may pay:

19 (1) a statutory fee required by the Texas Department
20 of Motor Vehicles [~~Transportation~~] for a certified abstract or in
21 connection with suspension of a vehicle registration; or

22 (2) a statutory fee payable to the comptroller for
23 issuance of a certificate of deposit required by Section 601.122.

24 SECTION 2J.02. Section 601.451, Transportation Code, as
25 added by Chapter 892 (S.B. 1670), Acts of the 79th Legislature,
26 Regular Session, 2005, is amended to read as follows:

27 Sec. 601.451. DEFINITION. In this subchapter,

1 "implementing agencies" means:

2 (1) the department;

3 (2) the Texas Department of Motor Vehicles
4 [~~Transportation~~];

5 (3) the Texas Department of Insurance; and

6 (4) the Department of Information Resources.

7 SECTION 2J.03. Subchapter N, Chapter 601, Transportation
8 Code, as added by Chapter 1325 (H.B. 3588), Acts of the 78th
9 Legislature, Regular Session, 2003, is repealed.

10 PART K. IDENTIFYING MARKINGS ON CERTAIN COMMERCIAL MOTOR VEHICLES

11 SECTION 2K.01. Subsection (d), Section 642.002,
12 Transportation Code, is amended to read as follows:

13 (d) The Texas Department of Motor Vehicles [~~Transportation~~]
14 by rule may prescribe additional requirements regarding the form of
15 the markings required by Subsection (a)(2) that are not
16 inconsistent with that subsection.

17 PART L. MOTOR CARRIER REGISTRATION

18 SECTION 2L.01. Subdivision (1), Section 643.001,
19 Transportation Code, is amended to read as follows:

20 (1) "Department" means the Texas Department of Motor
21 Vehicles [~~Transportation~~].

22 PART M. SINGLE STATE REGISTRATION

23 SECTION 2M.01. Section 645.001, Transportation Code, is
24 amended to read as follows:

25 Sec. 645.001. FEDERAL MOTOR CARRIER REGISTRATION. The
26 Texas Department of Motor Vehicles [~~Transportation~~] may, to the
27 fullest extent practicable, participate in a federal motor carrier

1 registration program under the unified carrier registration system
2 as defined by Section 643.001 or a ~~[the]~~ single state registration
3 system established under federal law ~~[49 U.S.C. Section 14504]~~.

4 PART N. MOTOR TRANSPORTATION BROKERS

5 SECTION 2N.01. Subsection (a), Section 646.003,
6 Transportation Code, is amended to read as follows:

7 (a) A person may not act as a motor transportation broker
8 unless the person provides a bond to the Texas Department of Motor
9 Vehicles ~~[Transportation]~~.

10 PART O. FOREIGN COMMERCIAL MOTOR TRANSPORTATION

11 SECTION 2O.01. Section 648.002, Transportation Code, is
12 amended to read as follows:

13 Sec. 648.002. RULES. In addition to rules required by this
14 chapter, the Texas Department of Motor Vehicles ~~[Transportation]~~,
15 the Department of Public Safety, and the Texas Department of
16 Insurance may adopt other rules to carry out this chapter.

17 PART P. PRIVILEGED PARKING

18 SECTION 2P.01. Section 681.001(1), Transportation Code, is
19 amended to read as follows:

20 (1) "Department" means the Texas Department of Motor
21 Vehicles ~~[Transportation]~~.

22 PART Q. ADMINISTRATIVE ADJUDICATION OF VEHICLE PARKING AND

23 STOPPING OFFENSES

24 SECTION 2Q.01. Section 682.008, Transportation Code, is
25 amended to read as follows:

26 Sec. 682.008. PRESUMPTIONS. In an administrative
27 adjudication hearing under this chapter:

1 (1) it is presumed that the registered owner of the
2 motor vehicle is the person who parked or stopped the vehicle at the
3 time and place of the offense charged; and

4 (2) the Texas Department of Motor Vehicles'
5 [~~Transportation's~~] computer-generated record of the registered
6 vehicle owner is prima facie evidence of the contents of the record.

7 PART R. ABANDONED MOTOR VEHICLES

8 SECTION 2R.01. Subdivision (1), Section 683.001,
9 Transportation Code, is amended to read as follows:

10 (1) "Department" means the Texas Department of Motor
11 Vehicles [~~Transportation~~].

12 PART S. CONTRACTS FOR ENFORCEMENT OF CERTAIN ARREST WARRANTS

13 SECTION 2S.01. Subdivision (1), Section 702.001,
14 Transportation Code, is amended to read as follows:

15 (1) "Department" means the Texas Department of Motor
16 Vehicles [~~Transportation~~].

17 PART T. PHOTOGRAPHIC TRAFFIC SIGNAL ENFORCEMENT SYSTEM

18 SECTION 2T.01. Subdivision (2), Section 707.001,
19 Transportation Code, is amended to read as follows:

20 (2) "Owner of a motor vehicle" means the owner of a
21 motor vehicle as shown on the motor vehicle registration records of
22 the Texas Department of Motor Vehicles [~~Transportation~~] or the
23 analogous department or agency of another state or country.

24 SECTION 2T.02. Subsection (b), Section 707.011,
25 Transportation Code, is amended to read as follows:

26 (b) Not later than the 30th day after the date the violation
27 is alleged to have occurred, the designated department, agency, or

1 office of the local authority or the entity with which the local
2 authority contracts under Section 707.003(a)(1) shall mail the
3 notice of violation to the owner at:

4 (1) the owner's address as shown on the registration
5 records of the Texas Department of Motor Vehicles [~~Transportation~~];
6 or

7 (2) if the vehicle is registered in another state or
8 country, the owner's address as shown on the motor vehicle
9 registration records of the department or agency of the other state
10 or country analogous to the Texas Department of Motor Vehicles
11 [~~Transportation~~].

12 SECTION 2T.03. Section 707.017, Transportation Code, is
13 amended to read as follows:

14 Sec. 707.017. ENFORCEMENT. If the owner of a motor vehicle
15 is delinquent in the payment of a civil penalty imposed under this
16 chapter, the county assessor-collector or the Texas Department of
17 Motor Vehicles [~~Transportation~~] may refuse to register a motor
18 vehicle alleged to have been involved in the violation.

19 PART U. SALE OR LEASE OF MOTOR VEHICLES

20 SECTION 2U.01. Subdivision (9), Section 2301.002,
21 Occupations Code, is amended to read as follows:

22 (9) "Department" means the Texas Department of Motor
23 Vehicles [~~Transportation~~].

24 SECTION 2U.02. Subdivision (33), Section 2301.002,
25 Occupations Code, is repealed.

26 PART V. AUTOMOBILE BURGLARY AND THEFT PREVENTION AUTHORITY

27 SECTION 2V.01. Subdivision (3), Section 1, Article

1 4413(37), Revised Statutes, is amended to read as follows:

2 (3) "Department" means the Texas Department of Motor
3 Vehicles [~~Transportation~~].

4 SECTION 2V.02. Section 2, Article 4413(37), Revised
5 Statutes, is amended to read as follows:

6 Sec. 2. The Automobile Burglary and Theft Prevention
7 Authority is established in the Texas Department of Motor Vehicles
8 [~~Transportation~~]. The authority is not an advisory body to the
9 Texas Department of Motor Vehicles [~~Transportation~~].

10 ARTICLE 3. CONFORMING AMENDMENTS PERTAINING TO TEXAS DEPARTMENT OF
11 TRANSPORTATION IN OTHER CODES

12 PART A. BUSINESS & COMMERCE CODE

13 SECTION 3A.01. Subsection (b), Section 51.003, Business &
14 Commerce Code, as effective April 1, 2009, is amended to read as
15 follows:

16 (b) In this chapter, "business opportunity" does not
17 include:

18 (1) the sale or lease of an established and ongoing
19 business or enterprise that has actively conducted business before
20 the sale or lease, whether composed of one or more than one
21 component business or enterprise, if the sale or lease represents
22 an isolated transaction or series of transactions involving a bona
23 fide change of ownership or control of the business or enterprise or
24 liquidation of the business or enterprise;

25 (2) a sale by a retailer of goods or services under a
26 contract or other agreement to sell the inventory of one or more
27 ongoing leased departments to a purchaser who is granted the right

1 to sell the goods or services within or adjoining a retail business
2 establishment as a department or division of the retail business
3 establishment;

4 (3) a transaction that is:

5 (A) regulated by the Texas Department of
6 Licensing and Regulation, the Texas Department of Insurance, the
7 Texas Real Estate Commission, or the director of the Motor Vehicle
8 Division of the Texas Department of Motor Vehicles
9 [~~Transportation~~]; and

10 (B) engaged in by a person licensed by one of
11 those agencies;

12 (4) a real estate syndication;

13 (5) a sale or lease to a business enterprise that also
14 sells or leases products, equipment, or supplies or performs
15 services:

16 (A) that are not supplied by the seller; and

17 (B) that the purchaser does not use with the
18 seller's products, equipment, supplies, or services;

19 (6) the offer or sale of a franchise as described by
20 the Petroleum Marketing Practices Act (15 U.S.C. Section 2801 et
21 seq.) and its subsequent amendments;

22 (7) the offer or sale of a business opportunity if the
23 seller:

24 (A) has a net worth of \$25 million or more
25 according to the seller's audited balance sheet as of a date not
26 earlier than the 13th month before the date of the transaction; or

27 (B) is at least 80 percent owned by another

1 person who:

2 (i) in writing unconditionally guarantees
3 performance by the person offering the business opportunity plan;
4 and

5 (ii) has a net worth of more than \$25
6 million according to the person's most recent audited balance sheet
7 as of a date not earlier than the 13th month before the date of the
8 transaction; or

9 (8) an arrangement defined as a franchise by 16 C.F.R.
10 Section 436.2(a) and its subsequent amendments if:

11 (A) the franchisor complies in all material
12 respects in this state with 16 C.F.R. Part 436 and each order or
13 other action of the Federal Trade Commission; and

14 (B) before offering for sale or selling a
15 franchise in this state, a person files with the secretary of state
16 a notice containing:

17 (i) the name of the franchisor;

18 (ii) the name under which the franchisor
19 intends to transact business; and

20 (iii) the franchisor's principal business
21 address.

22 SECTION 3A.02. Subsection (b), Section 105.004, Business &
23 Commerce Code, as effective April 1, 2009, is amended to read as
24 follows:

25 (b) The Texas Department of Motor Vehicles [~~Transportation~~]
26 shall provide a notice that states the provisions of this chapter to
27 each person with a disability who is issued:

1 (1) license plates under Section 504.201,
2 Transportation Code; or

3 (2) a disabled parking placard under Section 681.004,
4 Transportation Code.

5 PART B. CODE OF CRIMINAL PROCEDURE

6 SECTION 3B.01. Subdivision (1), Section 1, Article 42.22,
7 Code of Criminal Procedure, is amended to read as follows:

8 (1) "Department" means the Texas Department of Motor
9 Vehicles [~~Transportation~~].

10 SECTION 3B.02. Subsection (c), Article 59.04, Code of
11 Criminal Procedure, is amended to read as follows:

12 (c) If the property is a motor vehicle, and if there is
13 reasonable cause to believe that the vehicle has been registered
14 under the laws of this state, the attorney representing the state
15 shall ask the Texas Department of Motor Vehicles [~~Transportation~~]
16 to identify from its records the record owner of the vehicle and any
17 interest holder. If the addresses of the owner and interest holder
18 are not otherwise known, the attorney representing the state shall
19 request citation be served on such persons at the address listed
20 with the Texas Department of Motor Vehicles [~~Transportation~~]. If
21 the citation issued to such address is returned unserved, the
22 attorney representing the state shall cause a copy of the notice of
23 the seizure and intended forfeiture to be posted at the courthouse
24 door, to remain there for a period of not less than 30 days. If the
25 owner or interest holder does not answer or appear after the notice
26 has been so posted, the court shall enter a judgment by default as
27 to the owner or interest holder, provided that the attorney

1 representing the state files a written motion supported by
2 affidavit setting forth the attempted service. An owner or
3 interest holder whose interest is forfeited in this manner shall
4 not be liable for court costs. If the person in possession of the
5 vehicle at the time of the seizure is not the owner or the interest
6 holder of the vehicle, notification shall be provided to the
7 possessor in the same manner specified for notification to an owner
8 or interest holder.

9 PART C. FAMILY CODE

10 SECTION 3C.01. Subsection (b), Section 157.316, Family
11 Code, is amended to read as follows:

12 (b) If a lien established under this subchapter attaches to
13 a motor vehicle, the lien must be perfected in the manner provided
14 by Chapter 501, Transportation Code, and the court or Title IV-D
15 agency that rendered the order of child support shall include in the
16 order a requirement that the obligor surrender to the court or Title
17 IV-D agency evidence of the legal ownership of the motor vehicle
18 against which the lien may attach. A lien against a motor vehicle
19 under this subchapter is not perfected until the obligor's title to
20 the vehicle has been surrendered to the court or Title IV-D agency
21 and the Texas Department of Motor Vehicles [~~Transportation~~] has
22 issued a subsequent title that discloses on its face the fact that
23 the vehicle is subject to a child support lien under this
24 subchapter.

25 SECTION 3C.02. Subsection (a), Section 232.0022, Family
26 Code, is amended to read as follows:

27 (a) The Texas Department of Motor Vehicles [~~Transportation~~]

1 is the appropriate licensing authority for suspension or nonrenewal
2 of a motor vehicle registration under this chapter.

3 SECTION 3C.03. Subsection (b), Section 232.014, Family
4 Code, is amended to read as follows:

5 (b) A fee collected by the Texas Department of Motor
6 Vehicles [~~Transportation~~] or the Department of Public Safety shall
7 be deposited to the credit of the state highway fund.

8 SECTION 3C.04. Subsection (b), Section 264.502, Family
9 Code, is amended to read as follows:

10 (b) The members of the committee who serve under Subsections
11 (a)(1) through (3) shall select the following additional committee
12 members:

13 (1) a criminal prosecutor involved in prosecuting
14 crimes against children;

15 (2) a sheriff;

16 (3) a justice of the peace;

17 (4) a medical examiner;

18 (5) a police chief;

19 (6) a pediatrician experienced in diagnosing and
20 treating child abuse and neglect;

21 (7) a child educator;

22 (8) a child mental health provider;

23 (9) a public health professional;

24 (10) a child protective services specialist;

25 (11) a sudden infant death syndrome family service
26 provider;

27 (12) a neonatologist;

- 1 (13) a child advocate;
- 2 (14) a chief juvenile probation officer;
- 3 (15) a child abuse prevention specialist;
- 4 (16) a representative of the Department of Public
5 Safety; and
- 6 (17) a representative of the Texas Department of Motor
7 Vehicles [~~Transportation~~].

8 PART D. FINANCE CODE

9 SECTION 3D.01. Subdivision (9), Section 306.001, Finance
10 Code, is amended to read as follows:

- 11 (9) "Qualified commercial loan":
- 12 (A) means:
- 13 (i) a commercial loan in which one or more
14 persons as part of the same transaction lends, advances, borrows,
15 or receives, or is obligated to lend or advance or entitled to
16 borrow or receive, money or credit with an aggregate value of:
- 17 (a) \$3 million or more if the
18 commercial loan is secured by real property; or
- 19 (b) \$250,000 or more if the commercial
20 loan is not secured by real property and, if the aggregate value of
21 the commercial loan is less than \$500,000, the loan documents
22 contain a written certification from the borrower that:
- 23 (1) the borrower has been
24 advised by the lender to seek the advice of an attorney and an
25 accountant in connection with the commercial loan; and
- 26 (2) the borrower has had the
27 opportunity to seek the advice of an attorney and accountant of the

1 borrower's choice in connection with the commercial loan; and

2 (ii) a renewal or extension of a commercial
3 loan described by Paragraph (A), regardless of the principal amount
4 of the loan at the time of the renewal or extension; and

5 (B) does not include a commercial loan made for
6 the purpose of financing a business licensed by the Motor Vehicle
7 Board of the Texas Department of Motor Vehicles [~~Transportation~~]
8 under Section 2301.251(a), Occupations Code.

9 SECTION 3D.02. Subdivision (10-a), Section 348.001,
10 Finance Code, is amended to read as follows:

11 (10-a) "Towable recreation vehicle" means a
12 nonmotorized vehicle that:

13 (A) was originally designed and manufactured
14 primarily to provide temporary human habitation in conjunction with
15 recreational, camping, or seasonal use;

16 (B) is titled and registered with the Texas
17 Department of Motor Vehicles [~~Transportation~~] as a travel trailer
18 through a county tax assessor-collector;

19 (C) is permanently built on a single chassis;

20 (D) contains at least one life support system;

21 and

22 (E) is designed to be towable by a motor vehicle.

23 SECTION 3D.03. Section 348.518, Finance Code, is amended to
24 read as follows:

25 Sec. 348.518. SHARING OF INFORMATION. To ensure consistent
26 enforcement of law and minimization of regulatory burdens, the
27 commissioner and the Texas Department of Motor Vehicles

1 [~~Transportation~~] may share information, including criminal history
2 information, relating to a person licensed under this chapter.
3 Information otherwise confidential remains confidential after it
4 is shared under this section.

5 PART E. GOVERNMENT CODE

6 SECTION 3E.01. Subsection (d), Section 411.122, Government
7 Code, is amended to read as follows:

8 (d) The following state agencies are subject to this
9 section:

10 (1) Texas Appraiser Licensing and Certification
11 Board;

12 (2) Texas Board of Architectural Examiners;

13 (3) Texas Board of Chiropractic Examiners;

14 (4) State Board of Dental Examiners;

15 (5) Texas Board of Professional Engineers;

16 (6) Texas Funeral Service Commission;

17 (7) Texas Board of Professional Geoscientists;

18 (8) Department of State Health Services, except as
19 provided by Section 411.110, and agencies attached to the
20 department, including:

21 (A) Texas State Board of Examiners of Dietitians;

22 (B) Texas State Board of Examiners of Marriage
23 and Family Therapists;

24 (C) Midwifery Board;

25 (D) Texas State Perfusionist Advisory Committee
26 [~~Board of Examiners of Perfusionists~~];

27 (E) Texas State Board of Examiners of

- 1 Professional Counselors;
- 2 (F) Texas State Board of Social Worker Examiners;
- 3 (G) State Board of Examiners for Speech-Language
- 4 Pathology and Audiology;
- 5 (H) Advisory Board of Athletic Trainers;
- 6 (I) State Committee of Examiners in the Fitting
- 7 and Dispensing of Hearing Instruments;
- 8 (J) Texas Board of Licensure for Professional
- 9 Medical Physicists; and
- 10 (K) Texas Board of Orthotics and Prosthetics;
- 11 (9) Texas Board of Professional Land Surveying;
- 12 (10) Texas Department of Licensing and Regulation,
- 13 except as provided by Section 411.093;
- 14 (11) Texas Commission on Environmental Quality;
- 15 (12) Texas Board of Occupational Therapy Examiners;
- 16 (13) Texas Optometry Board;
- 17 (14) Texas State Board of Pharmacy;
- 18 (15) Texas Board of Physical Therapy Examiners;
- 19 (16) Texas State Board of Plumbing Examiners;
- 20 (17) Texas State Board of Podiatric Medical Examiners;
- 21 (18) Polygraph Examiners Board;
- 22 (19) Texas State Board of Examiners of Psychologists;
- 23 (20) Texas Real Estate Commission;
- 24 (21) Board of Tax Professional Examiners;
- 25 (22) Texas Department of Transportation;
- 26 (23) State Board of Veterinary Medical Examiners;
- 27 (24) Texas Department of Housing and Community

1 Affairs;

2 (25) secretary of state;

3 (26) state fire marshal;

4 (27) Texas Education Agency; ~~and~~

5 (28) Department of Agriculture; and

6 (29) Texas Department of Motor Vehicles.

7 PART F. HEALTH AND SAFETY CODE

8 SECTION 3F.01. Subsection (e), Section 382.209, Health and
9 Safety Code, is amended to read as follows:

10 (e) A vehicle is not eligible to participate in a low-income
11 vehicle repair assistance, retrofit, and accelerated vehicle
12 retirement program established under this section unless:

13 (1) the vehicle is capable of being operated;

14 (2) the registration of the vehicle:

15 (A) is current; and

16 (B) reflects that the vehicle has been registered
17 in the county implementing the program for the 12 months preceding
18 the application for participation in the program;

19 (3) the commissioners court of the county
20 administering the program determines that the vehicle meets the
21 eligibility criteria adopted by the commission, the Texas
22 Department of Motor Vehicles [~~Transportation~~], and the Public
23 Safety Commission;

24 (4) if the vehicle is to be repaired, the repair is
25 done by a repair facility recognized by the Department of Public
26 Safety, which may be an independent or private entity licensed by
27 the state; and

1 (5) if the vehicle is to be retired under this
2 subsection and Section 382.213, the replacement vehicle is a
3 qualifying motor vehicle.

4 SECTION 3F.02. Subsection (f), Section 382.210, Health and
5 Safety Code, is amended to read as follows:

6 (f) In this section, "total cost" means the total amount of
7 money paid or to be paid for the purchase of a motor vehicle as set
8 forth as "sales price" in the form entitled "Application for Texas
9 Certificate of Title" promulgated by the Texas Department of Motor
10 Vehicles [~~Transportation~~]. In a transaction that does not involve
11 the use of that form, the term means an amount of money that is
12 equivalent, or substantially equivalent, to the amount that would
13 appear as "sales price" on the Application for Texas Certificate of
14 Title if that form were involved.

15 SECTION 3F.03. Subsection (a), Section 461.017, Health and
16 Safety Code, is amended to read as follows:

17 (a) The Drug Demand Reduction Advisory Committee is
18 composed of the following members:

19 (1) five representatives of the public from different
20 geographic regions of the state who have knowledge and expertise in
21 issues relating to reducing drug demand and who are appointed by the
22 commissioner [~~executive director~~] of the Department of State Health
23 Services [~~Texas Commission on Alcohol and Drug Abuse~~]; and

24 (2) one representative of each of the following
25 agencies or offices who is appointed by the executive director or
26 commissioner of the agency or office and who is directly involved in
27 the agency's or office's policies, programs, or funding activities

1 relating to reducing drug demand:

2 (A) the criminal justice division of the
3 governor's office;

4 (B) the Criminal Justice Policy Council;

5 (C) the Department of Family and Protective [~~and~~
6 ~~Regulatory~~] Services;

7 (D) the Department of Public Safety of the State
8 of Texas;

9 (E) the Health and Human Services Commission;

10 (F) the Texas Alcoholic Beverage Commission;

11 (G) the Department of State Health Services
12 [~~Texas Commission on Alcohol and Drug Abuse~~];

13 (H) the Texas Council on Offenders with Mental
14 Impairments;

15 (I) the Texas Department of Criminal Justice;

16 (J) the [~~Texas Department of~~] Health and +

17 [~~(K) the Texas Department of~~] Human Services
18 Commission;

19 (K) [~~(L)~~] the [~~Texas~~] Department of Aging and
20 Disability Services [~~Mental Health and Mental Retardation~~];

21 (L) [~~(M)~~] the Texas Education Agency;

22 (M) [~~(N)~~] the Texas Juvenile Probation
23 Commission;

24 (N) [~~(O)~~] the Texas Youth Commission;

25 (O) [~~(P)~~] the Department of Assistive and
26 Rehabilitative Services [~~Texas Rehabilitation Commission~~];

27 (P) [~~(Q)~~] the Texas Workforce Commission;

1 (O) [~~(R)~~] the Texas Department of Motor Vehicles
2 [~~Transportation~~];

3 (R) [~~(S)~~] the comptroller of public accounts;
4 and

5 (S) [~~(T)~~] the adjutant general's department.

6 PART G. HUMAN RESOURCES CODE

7 SECTION 3G.01. Section 22.041, Human Resources Code, is
8 amended to read as follows:

9 Sec. 22.041. THIRD-PARTY INFORMATION. Notwithstanding any
10 other provision of this code, the department may use information
11 obtained from a third party to verify the assets and resources of a
12 person for purposes of determining the person's eligibility and
13 need for medical assistance, financial assistance, or nutritional
14 assistance. Third-party information includes information obtained
15 from:

16 (1) a consumer reporting agency, as defined by Section
17 20.01, Business & Commerce Code;

18 (2) an appraisal district; or

19 (3) the Texas Department of Motor Vehicles
20 [~~Transportation's~~] vehicle registration record database.

21 SECTION 3G.02. Subsection (g), Section 32.026, Human
22 Resources Code, is amended to read as follows:

23 (g) Notwithstanding any other provision of this code, the
24 department may use information obtained from a third party to
25 verify the assets and resources of a person for purposes of
26 determining the person's eligibility and need for medical
27 assistance. Third-party information includes information obtained

1 from:

2 (1) a consumer reporting agency, as defined by Section
3 20.01, Business & Commerce Code;

4 (2) an appraisal district; or

5 (3) the Texas Department of Motor Vehicles
6 [~~Transportation's~~] vehicle registration record database.

7 PART H. LOCAL GOVERNMENT CODE

8 SECTION 3H.01. Section 130.006, Local Government Code, is
9 amended to read as follows:

10 Sec. 130.006. PROCEDURES FOR COLLECTION OF DISHONORED
11 CHECKS AND INVOICES. A county tax assessor-collector may establish
12 procedures for the collection of dishonored checks and credit card
13 invoices. The procedures may include:

14 (1) official notification to the maker that the check
15 or invoice has not been honored and that the receipt, registration,
16 certificate, or other instrument issued on the receipt of the check
17 or invoice is not valid until payment of the fee or tax is made;

18 (2) notification of the sheriff or other law
19 enforcement officers that a check or credit card invoice has not
20 been honored and that the receipt, registration, certificate, or
21 other instrument held by the maker is not valid; and

22 (3) notification to the Texas Department of Motor
23 Vehicles [~~Transportation~~], the comptroller of public accounts, or
24 the Department of Public Safety that the receipt, registration,
25 certificate, or other instrument held by the maker is not valid.

26 SECTION 3H.02. Section 130.007, Local Government Code, is
27 amended to read as follows:

1 Sec. 130.007. REMISSION TO STATE NOT REQUIRED; STATE
2 ASSISTANCE IN COLLECTION. (a) If a fee or tax is required to be
3 remitted to the comptroller or the Texas Department of Motor
4 Vehicles [~~Transportation~~] and if payment was made to the county tax
5 assessor-collector by a check that was not honored by the drawee
6 bank or by a credit card invoice that was not honored by the credit
7 card issuer, the amount of the fee or tax is not required to be
8 remitted, but the assessor-collector shall notify the appropriate
9 department of:

- 10 (1) the amount of the fee or tax;
11 (2) the type of fee or tax involved; and
12 (3) the name and address of the maker.

13 (b) The Texas Department of Motor Vehicles [~~Transportation~~]
14 and the comptroller shall assist the county tax assessor-collector
15 in collecting the fee or tax and may cancel or revoke any receipt,
16 registration, certificate, or other instrument issued in the name
17 of the state conditioned on the payment of the fee or tax.

18 SECTION 3H.03. Section 130.008, Local Government Code, is
19 amended to read as follows:

20 Sec. 130.008. LIABILITY OF TAX COLLECTOR FOR VIOLATIONS OF
21 SUBCHAPTER. If the comptroller or the Texas Department of Motor
22 Vehicles [~~Transportation~~] determines that the county tax
23 assessor-collector has accepted payment for fees and taxes to be
24 remitted to that department in violation of Section 130.004 or that
25 more than two percent of the fees and taxes to be received from the
26 assessor-collector are not remitted because of the acceptance of
27 checks that are not honored by the drawee bank or of credit card

1 invoices that are not honored by the credit card issuer, the
2 department may notify the assessor-collector that the
3 assessor-collector may not accept a check or credit card invoice
4 for the payment of any fee or tax to be remitted to that department.
5 A county tax assessor-collector who accepts a check or credit card
6 invoice for the payment of a fee or tax, after notice that the
7 assessor-collector may not receive a check or credit card invoice
8 for the payment of fees or taxes to be remitted to a department, is
9 liable to the state for the amount of the check or credit card
10 invoice accepted.

11 SECTION 3H.04. Section 130.009, Local Government Code, is
12 amended to read as follows:

13 Sec. 130.009. STATE RULES. The comptroller and the Texas
14 Department of Motor Vehicles [~~Transportation~~] may make rules
15 concerning the acceptance of checks or credit card invoices by a
16 county tax assessor-collector and for the collection of dishonored
17 checks or credit card invoices.

18 PART I. OCCUPATIONS CODE

19 SECTION 3I.01. Subsection (c), Section 554.009,
20 Occupations Code, is amended to read as follows:

21 (c) The board may register a vehicle with the Texas
22 Department of Motor Vehicles [~~Transportation~~] in an alias name only
23 for investigative personnel.

24 SECTION 3I.02. Subdivision (9), Section 2301.002,
25 Occupations Code, is amended to read as follows:

26 (9) "Department" means the Texas Department of Motor
27 Vehicles [~~Transportation~~].

1 SECTION 3I.03. Subsections (a) and (b), Section 2301.005,
2 Occupations Code, are amended to read as follows:

3 (a) A reference in law, including a rule, to the Texas Motor
4 Vehicle Commission or to the board means [~~the director, except that~~
5 ~~a reference to~~] the board of the Texas Department of Motor Vehicles
6 [~~means the commission if it is related to the adoption of rules~~].

7 (b) A reference in law, including a rule, to the executive
8 director of the Texas Motor Vehicle Commission means the executive
9 director of the Texas Department of Motor Vehicles.

10 SECTION 3I.04. Subdivisions (2) and (3), Section 2302.001,
11 Occupations Code, are amended to read as follows:

12 (2) "Board" [~~"Commission"~~] means the board of the
13 Texas Department of Motor Vehicles [~~Transportation Commission~~].

14 (3) "Department" means the Texas Department of Motor
15 Vehicles [~~Transportation~~].

16 SECTION 3I.05. Subsection (b), Section 2302.0015,
17 Occupations Code, is amended to read as follows:

18 (b) For the purpose of enforcing or administering this
19 chapter or Chapter 501 or 502, Transportation Code, a member of the
20 board [~~commission~~], an employee or agent of the board [~~commission~~]
21 or department, a member of the Public Safety Commission, an officer
22 of the Department of Public Safety, or a peace officer may at a
23 reasonable time:

24 (1) enter the premises of a business regulated under
25 one of those chapters; and

26 (2) inspect or copy any document, record, vehicle,
27 part, or other item regulated under one of those chapters.

1 SECTION 3I.06. The heading to Subchapter B, Chapter 2302,
2 Occupations Code, is amended to read as follows:

3 SUBCHAPTER B. BOARD [~~COMMISSION~~] POWERS AND DUTIES

4 SECTION 3I.07. Sections 2302.051, 2302.052, and 2302.053,
5 Occupations Code, are amended to read as follows:

6 Sec. 2302.051. RULES AND ENFORCEMENT POWERS. The board
7 [~~commission~~] shall adopt rules as necessary to administer this
8 chapter and may take other action as necessary to enforce this
9 chapter.

10 Sec. 2302.052. DUTY TO SET FEES. The board [~~commission~~]
11 shall set application fees, license fees, renewal fees, and other
12 fees as required to implement this chapter. The board [~~commission~~]
13 shall set the fees in amounts reasonable and necessary to implement
14 and enforce this chapter.

15 Sec. 2302.053. RULES RESTRICTING ADVERTISING OR
16 COMPETITIVE BIDDING. (a) The board [~~commission~~] may not adopt a
17 rule under Section 2302.051 restricting advertising or competitive
18 bidding by a person who holds a license issued under this chapter
19 except to prohibit false, misleading, or deceptive practices by the
20 person.

21 (b) The board [~~commission~~] may not include in its rules to
22 prohibit false, misleading, or deceptive practices a rule that:

23 (1) restricts the use of any advertising medium;

24 (2) restricts the person's personal appearance or use
25 of the person's voice in an advertisement;

26 (3) relates to the size or duration of an
27 advertisement by the person; or

1 (4) restricts the use of a trade name in advertising by
2 the person.

3 SECTION 3I.08. Subsection (b), Section 2302.108,
4 Occupations Code, is amended to read as follows:

5 (b) The board [~~commission~~] by rule shall establish the
6 grounds for denial, suspension, revocation, or reinstatement of a
7 license issued under this chapter and the procedures for
8 disciplinary action. A rule adopted under this subsection may not
9 conflict with a rule adopted by the State Office of Administrative
10 Hearings.

11 SECTION 3I.09. Section 2302.204, Occupations Code, is
12 amended to read as follows:

13 Sec. 2302.204. CASUAL SALES. This chapter does not apply to
14 a person who purchases fewer than three nonrepairable motor
15 vehicles or salvage motor vehicles from a salvage vehicle dealer,
16 an insurance company or salvage pool operator in a casual sale at
17 auction, except that:

18 (1) the board [~~commission~~] shall adopt rules as
19 necessary to regulate casual sales by salvage vehicle dealers,
20 insurance companies, or salvage pool operators and to enforce this
21 section; and

22 (2) a salvage vehicle dealer, insurance company, or
23 salvage pool operator who sells a motor vehicle in a casual sale
24 shall comply with those rules and Subchapter E, Chapter 501,
25 Transportation Code.

26 SECTION 3I.10. Subdivision (33), Section 2301.002,
27 Occupations Code, is repealed.

1 PART J. PENAL CODE

2 SECTION 3J.01. Subsection (c), Section 31.03, Penal Code,
3 is amended to read as follows:

4 (c) For purposes of Subsection (b):

5 (1) evidence that the actor has previously
6 participated in recent transactions other than, but similar to,
7 that which the prosecution is based is admissible for the purpose of
8 showing knowledge or intent and the issues of knowledge or intent
9 are raised by the actor's plea of not guilty;

10 (2) the testimony of an accomplice shall be
11 corroborated by proof that tends to connect the actor to the crime,
12 but the actor's knowledge or intent may be established by the
13 uncorroborated testimony of the accomplice;

14 (3) an actor engaged in the business of buying and
15 selling used or secondhand personal property, or lending money on
16 the security of personal property deposited with the actor, is
17 presumed to know upon receipt by the actor of stolen property (other
18 than a motor vehicle subject to Chapter 501, Transportation Code)
19 that the property has been previously stolen from another if the
20 actor pays for or loans against the property \$25 or more (or
21 consideration of equivalent value) and the actor knowingly or
22 recklessly:

23 (A) fails to record the name, address, and
24 physical description or identification number of the seller or
25 pledgor;

26 (B) fails to record a complete description of the
27 property, including the serial number, if reasonably available, or

1 other identifying characteristics; or

2 (C) fails to obtain a signed warranty from the
3 seller or pledgor that the seller or pledgor has the right to
4 possess the property. It is the express intent of this provision
5 that the presumption arises unless the actor complies with each of
6 the numbered requirements;

7 (4) for the purposes of Subdivision (3)(A),
8 "identification number" means driver's license number, military
9 identification number, identification certificate, or other
10 official number capable of identifying an individual;

11 (5) stolen property does not lose its character as
12 stolen when recovered by any law enforcement agency;

13 (6) an actor engaged in the business of obtaining
14 abandoned or wrecked motor vehicles or parts of an abandoned or
15 wrecked motor vehicle for resale, disposal, scrap, repair,
16 rebuilding, demolition, or other form of salvage is presumed to
17 know on receipt by the actor of stolen property that the property
18 has been previously stolen from another if the actor knowingly or
19 recklessly:

20 (A) fails to maintain an accurate and legible
21 inventory of each motor vehicle component part purchased by or
22 delivered to the actor, including the date of purchase or delivery,
23 the name, age, address, sex, and driver's license number of the
24 seller or person making the delivery, the license plate number of
25 the motor vehicle in which the part was delivered, a complete
26 description of the part, and the vehicle identification number of
27 the motor vehicle from which the part was removed, or in lieu of

1 maintaining an inventory, fails to record the name and certificate
2 of inventory number of the person who dismantled the motor vehicle
3 from which the part was obtained;

4 (B) fails on receipt of a motor vehicle to obtain
5 a certificate of authority, sales receipt, or transfer document as
6 required by Chapter 683, Transportation Code, or a certificate of
7 title showing that the motor vehicle is not subject to a lien or
8 that all recorded liens on the motor vehicle have been released; or

9 (C) fails on receipt of a motor vehicle to
10 immediately remove an unexpired license plate from the motor
11 vehicle, to keep the plate in a secure and locked place, or to
12 maintain an inventory, on forms provided by the Texas Department of
13 Motor Vehicles [~~Transportation~~], of license plates kept under this
14 paragraph, including for each plate or set of plates the license
15 plate number and the make, motor number, and vehicle identification
16 number of the motor vehicle from which the plate was removed;

17 (7) an actor who purchases or receives a used or
18 secondhand motor vehicle is presumed to know on receipt by the actor
19 of the motor vehicle that the motor vehicle has been previously
20 stolen from another if the actor knowingly or recklessly:

21 (A) fails to report to the Texas Department of
22 Motor Vehicles [~~Transportation~~] the failure of the person who sold
23 or delivered the motor vehicle to the actor to deliver to the actor
24 a properly executed certificate of title to the motor vehicle at the
25 time the motor vehicle was delivered; or

26 (B) fails to file with the county tax
27 assessor-collector of the county in which the actor received the

1 motor vehicle, not later than the 20th day after the date the actor
2 received the motor vehicle, the registration license receipt and
3 certificate of title or evidence of title delivered to the actor in
4 accordance with Subchapter D, Chapter 520, Transportation Code, at
5 the time the motor vehicle was delivered;

6 (8) an actor who purchases or receives from any source
7 other than a licensed retailer or distributor of pesticides a
8 restricted-use pesticide or a state-limited-use pesticide or a
9 compound, mixture, or preparation containing a restricted-use or
10 state-limited-use pesticide is presumed to know on receipt by the
11 actor of the pesticide or compound, mixture, or preparation that
12 the pesticide or compound, mixture, or preparation has been
13 previously stolen from another if the actor:

14 (A) fails to record the name, address, and
15 physical description of the seller or pledgor;

16 (B) fails to record a complete description of the
17 amount and type of pesticide or compound, mixture, or preparation
18 purchased or received; and

19 (C) fails to obtain a signed warranty from the
20 seller or pledgor that the seller or pledgor has the right to
21 possess the property; and

22 (9) an actor who is subject to Section 409, Packers and
23 Stockyards Act (7 U.S.C. Section 228b), that obtains livestock from
24 a commission merchant by representing that the actor will make
25 prompt payment is presumed to have induced the commission
26 merchant's consent by deception if the actor fails to make full
27 payment in accordance with Section 409, Packers and Stockyards Act

1 (7 U.S.C. Section 228b).

2 SECTION 3J.02. Subsection (b), Section 31.11, Penal Code,
3 is amended to read as follows:

4 (b) It is an affirmative defense to prosecution under this
5 section that the person was:

6 (1) the owner or acting with the effective consent of
7 the owner of the property involved;

8 (2) a peace officer acting in the actual discharge of
9 official duties; or

10 (3) acting with respect to a number assigned to a
11 vehicle by the Texas Department of Transportation or the Texas
12 Department of Motor Vehicles, as applicable, and the person was:

13 (A) in the actual discharge of official duties as
14 an employee or agent of the department; or

15 (B) in full compliance with the rules of the
16 department as an applicant for an assigned number approved by the
17 department.

18 PART K. TAX CODE

19 SECTION 3K.01. Subsection (d), Section 21.02, Tax Code, is
20 amended to read as follows:

21 (d) A motor vehicle does not have taxable situs in a taxing
22 unit under Subsection (a)(1) if, on January 1, the vehicle:

23 (1) has been located for less than 60 days at a place
24 of business of a person who holds a wholesale motor vehicle auction
25 general distinguishing number issued by the Texas Department of
26 Motor Vehicles [~~Transportation~~] under Chapter 503, Transportation
27 Code, for that place of business; and

1 (2) is offered for resale.

2 SECTION 3K.02. Subsection (d), Section 22.04, Tax Code, is
3 amended to read as follows:

4 (d) This section does not apply to a motor vehicle that on
5 January 1 is located at a place of business of a person who holds a
6 wholesale motor vehicle auction general distinguishing number
7 issued by the Texas Department of Motor Vehicles [~~Transportation~~]
8 under Chapter 503, Transportation Code, for that place of business,
9 and that:

10 (1) has not acquired taxable situs under Section
11 21.02(a)(1) in a taxing unit that participates in the appraisal
12 district because the vehicle is described by Section 21.02(d);

13 (2) is offered for sale by a dealer who holds a
14 dealer's general distinguishing number issued by the Texas
15 Department of Motor Vehicles [~~Transportation~~] under Chapter 503,
16 Transportation Code, and whose inventory of motor vehicles is
17 subject to taxation in the manner provided by Sections 23.121 and
18 23.122; or

19 (3) is collateral possessed by a lienholder and
20 offered for sale in foreclosure of a security interest.

21 SECTION 3K.03. Subdivisions (3), (11), and (14), Subsection
22 (a), Section 23.121, Tax Code, are amended to read as follows:

23 (3) "Dealer" means a person who holds a dealer's
24 general distinguishing number issued by the Texas Department of
25 Motor Vehicles [~~Transportation~~] under the authority of Chapter 503,
26 Transportation Code, or who is legally recognized as a motor
27 vehicle dealer pursuant to the law of another state and who complies

1 with the terms of Section 152.063(f). The term does not include:

2 (A) a person who holds a manufacturer's license
3 issued under Chapter 2301, Occupations Code [~~by the Motor Vehicle~~
4 ~~Board of the Texas Department of Transportation~~];

5 (B) an entity that is owned or controlled by a
6 person who holds a manufacturer's license issued under Chapter
7 2301, Occupations Code [~~by the Motor Vehicle Board of the Texas~~
8 ~~Department of Transportation~~]; or

9 (C) a dealer whose general distinguishing number
10 issued by the Texas Department of Motor Vehicles [~~Transportation~~]
11 under the authority of Chapter 503, Transportation Code, prohibits
12 the dealer from selling a vehicle to any person except a dealer.

13 (11) "Sales price" means the total amount of money
14 paid or to be paid for the purchase of a motor vehicle as set forth
15 as "sales price" in the form entitled "Application for Texas
16 Certificate of Title" promulgated by the Texas Department of Motor
17 Vehicles [~~Transportation~~]. In a transaction that does not involve
18 the use of that form, the term means an amount of money that is
19 equivalent, or substantially equivalent, to the amount that would
20 appear as "sales price" on the Application for Texas Certificate of
21 Title if that form were involved.

22 (14) "Towable recreational vehicle" means a
23 nonmotorized vehicle that is designed for temporary human
24 habitation for recreational, camping, or seasonal use and:

25 (A) is titled and registered with the Texas
26 Department of Motor Vehicles [~~Transportation~~] through the office of
27 the collector;

- 1 (B) is permanently built on a single chassis;
2 (C) contains one or more life support systems;
3 and
4 (D) is designed to be towable by a motor vehicle.

5 SECTION 3K.04. Subsections (f), (g), and (h), Section
6 23.121, Tax Code, are amended to read as follows:

7 (f) The comptroller shall promulgate a form entitled
8 Dealer's Motor Vehicle Inventory Declaration. Except as provided
9 by Section 23.122(1) [~~of this code~~], not later than February 1 of
10 each year, or, in the case of a dealer who was not in business on
11 January 1, not later than 30 days after commencement of business,
12 each dealer shall file a declaration with the chief appraiser and
13 file a copy with the collector. For purposes of this subsection, a
14 dealer is presumed to have commenced business on the date of
15 issuance to the dealer of a dealer's general distinguishing number
16 as provided by Chapter 503, Transportation Code. Notwithstanding
17 the presumption created by this subsection, a chief appraiser may,
18 at his or her sole discretion, designate as the date on which a
19 dealer commenced business a date other than the date of issuance to
20 the dealer of a dealer's general distinguishing number. The
21 declaration is sufficient to comply with this subsection if it sets
22 forth the following information:

23 (1) the name and business address of each location at
24 which the dealer owner conducts business;

25 (2) each of the dealer's general distinguishing
26 numbers issued by the Texas Department of Motor Vehicles
27 [~~Transportation~~];

1 (3) a statement that the dealer owner is the owner of a
2 dealer's motor vehicle inventory; and

3 (4) the market value of the dealer's motor vehicle
4 inventory for the current tax year as computed under Section
5 23.121(b) [~~of this code~~].

6 (g) Under the terms provided by this subsection, the chief
7 appraiser may examine the books and records of the holder of a
8 general distinguishing number issued by the Texas Department of
9 Motor Vehicles [~~Transportation~~]. A request made under this
10 subsection must be made in writing, delivered personally to the
11 custodian of the records, at the location for which the general
12 distinguishing number has been issued, must provide a period not
13 less than 15 days for the person to respond to the request, and must
14 state that the person to whom it is addressed has the right to seek
15 judicial relief from compliance with the request. In a request made
16 under this section the chief appraiser may examine:

17 (1) the document issued by the Texas Department of
18 Motor Vehicles [~~Transportation~~] showing the person's general
19 distinguishing number;

20 (2) documentation appropriate to allow the chief
21 appraiser to ascertain the applicability of this section and
22 Section 23.122 [~~of this code~~] to the person;

23 (3) sales records to substantiate information set
24 forth in the dealer's declaration filed by the person.

25 (h) If a dealer fails to file a declaration as required by
26 this section, or if, on the declaration required by this section, a
27 dealer reports the sale of fewer than five motor vehicles in the

1 prior year, the chief appraiser shall report that fact to the Texas
2 Department of Motor Vehicles [~~Transportation~~] and the department
3 shall initiate termination proceedings. The chief appraiser shall
4 include with the report a copy of a declaration, if any, indicating
5 the sale by a dealer of fewer than five motor vehicles in the prior
6 year. A report by a chief appraiser to the Texas Department of
7 Motor Vehicles [~~Transportation~~] as provided by this subsection is
8 prima facie grounds for the cancellation of the dealer's general
9 distinguishing number under Section 503.038(a)(9), Transportation
10 Code, or for refusal by the Texas Department of Motor Vehicles
11 [~~Transportation~~] to renew the dealer's general distinguishing
12 number.

13 SECTION 3K.05. Subsection (c), Section 23.123, Tax Code, is
14 amended to read as follows:

15 (c) Information made confidential by this section may be
16 disclosed:

17 (1) in a judicial or administrative proceeding
18 pursuant to a lawful subpoena;

19 (2) to the person who filed the declaration or
20 statement or to that person's representative authorized by the
21 person in writing to receive the information;

22 (3) to the comptroller or an employee of the
23 comptroller authorized by the comptroller to receive the
24 information;

25 (4) to a collector or chief appraiser;

26 (5) to a district attorney, criminal district attorney
27 or county attorney involved in the enforcement of a penalty imposed

1 pursuant to Section 23.121 or Section 23.122 [~~of this code~~];

2 (6) for statistical purposes if in a form that does not
3 identify specific property or a specific property owner;

4 (7) if and to the extent that the information is
5 required for inclusion in a public document or record that the
6 appraisal or collection office is required by law to prepare or
7 maintain; or

8 (8) to the Texas Department of Motor Vehicles
9 [~~Transportation~~] for use by that department in auditing compliance
10 of its licensees with appropriate provisions of applicable law.

11 SECTION 3K.06. Subdivision (11), Subsection (a), Section
12 23.124, Tax Code, is amended to read as follows:

13 (11) "Sales price" means the total amount of money
14 paid or to be paid for the purchase of:

15 (A) a vessel, other than a trailer that is
16 treated as a vessel, as set forth as "sales price" in the form
17 entitled "Application for Texas Certificate of Number/Title for
18 Boat/Seller, Donor or Trader's Affidavit" promulgated by the Parks
19 and Wildlife Department;

20 (B) an outboard motor as set forth as "sales
21 price" in the form entitled "Application for Texas Certificate of
22 Title for an Outboard Motor/Seller, Donor or Trader's Affidavit"
23 promulgated by the Parks and Wildlife Department; or

24 (C) a trailer that is treated as a vessel as set
25 forth as "sales price" in the form entitled "Application for Texas
26 Certificate of Title" promulgated by the Texas Department of Motor
27 Vehicles [~~Transportation~~].

1 In a transaction involving a vessel, an outboard motor,
2 or a trailer that is treated as a vessel that does not involve the
3 use of one of these forms, the term means an amount of money that is
4 equivalent, or substantially equivalent, to the amount that would
5 appear as "sales price" on the Application for Texas Certificate of
6 Number/Title for Boat/Seller, Donor or Trader's Affidavit, the
7 Application for Texas Certificate of Title for an Outboard
8 Motor/Seller, Donor or Trader's Affidavit, or the Application for
9 Texas Certificate of Title if one of these forms were involved.

10 SECTION 3K.07. Section 113.011, Tax Code, is amended to
11 read as follows:

12 Sec. 113.011. LIENS FILED WITH TEXAS DEPARTMENT OF MOTOR
13 VEHICLES [~~TRANSPORTATION~~]. The comptroller shall furnish to the
14 Texas Department of Motor Vehicles [~~Transportation~~] each release of
15 a tax lien filed by the comptroller with that department.

16 SECTION 3K.08. Subsections (a) and (f), Section 152.0412,
17 Tax Code, are amended to read as follows:

18 (a) In this section, "standard presumptive value" means the
19 private-party transaction value of a motor vehicle, as determined
20 by the Texas Department of Motor Vehicles [~~Transportation~~] based on
21 an appropriate regional guidebook of a nationally recognized motor
22 vehicle value guide service, or based on another motor vehicle
23 guide publication that the department determines is appropriate if
24 a private-party transaction value for the motor vehicle is not
25 available from a regional guidebook described by this subsection.

26 (f) The Texas Department of Motor Vehicles [~~Transportation~~]
27 shall maintain information on the standard presumptive values of

1 motor vehicles as part of the department's registration and title
2 system. The department shall update the information at least
3 quarterly each calendar year and publish, electronically or
4 otherwise, the updated information.

5 SECTION 3K.09. Section 152.042, Tax Code, is amended to
6 read as follows:

7 Sec. 152.042. COLLECTION OF TAX ON METAL DEALER PLATES. A
8 person required to pay the tax imposed by Section 152.027 shall pay
9 the tax to the Texas Department of Motor Vehicles [~~Transportation~~],
10 and the department may not issue the metal dealer's plates until the
11 tax is paid.

12 SECTION 3K.10. Subsection (b), Section 152.121, Tax Code,
13 is amended to read as follows:

14 (b) Taxes on metal dealer plates collected by the Texas
15 Department of Motor Vehicles [~~Transportation~~] shall be deposited by
16 the department in the state treasury in the same manner as are other
17 taxes collected under this chapter.

18 SECTION 3K.11. Subdivision (52), Section 162.001, Tax Code,
19 is amended to read as follows:

20 (52) "Registered gross weight" means the total weight
21 of the vehicle and carrying capacity shown on the registration
22 certificate issued by the Texas Department of Motor Vehicles
23 [~~Transportation~~].

24 ARTICLE 4. USED AUTOMOTIVE PARTS RECYCLERS

25 SECTION 4.01. Subdivision (6), Section 2302.001,
26 Occupations Code, is amended to read as follows:

27 (6) "Salvage vehicle agent" means a person who

1 acquires, sells, or otherwise deals in nonrepairable or salvage
2 motor vehicles [~~or used parts~~] in this state as directed by the
3 salvage vehicle dealer under whose license the person operates.

4 The term does not include a person who:

5 (A) is a licensed salvage vehicle dealer or a
6 licensed used automotive parts recycler;

7 (B) is a partner, owner, or officer of a business
8 entity that holds a salvage vehicle dealer license or a used
9 automotive parts recycler license;

10 (C) is an employee of a licensed salvage vehicle
11 dealer or a licensed used automotive parts recycler; or

12 (D) only transports salvage motor vehicles for a
13 licensed salvage vehicle dealer or a licensed used automotive parts
14 recycler.

15 SECTION 4.02. Subsection (b), Section 2302.006,
16 Occupations Code, is amended to read as follows:

17 (b) This chapter applies to a transaction in which a motor
18 vehicle:

19 (1) is sold, transferred, released, or delivered to a
20 metal recycler for the purpose of reuse or resale as a motor vehicle
21 [~~or as a source of used parts~~]; and

22 (2) is used for that purpose.

23 SECTION 4.03. Subchapter A, Chapter 2302, Occupations Code,
24 is amended by adding Section 2302.008 to read as follows:

25 Sec. 2302.008. APPLICABILITY OF CHAPTER TO USED AUTOMOTIVE
26 PARTS RECYCLERS. This chapter does not apply to a used automotive
27 parts recycler licensed under Chapter 2309.

1 SECTION 4.04. Subsection (b), Section 2302.103,
2 Occupations Code, is amended to read as follows:

3 (b) An applicant may apply for a salvage vehicle dealer
4 license with an endorsement in one or more of the following
5 classifications:

- 6 (1) new automobile dealer;
- 7 (2) used automobile dealer;
- 8 (3) ~~used vehicle parts dealer;~~
- 9 ~~[(4)]~~ salvage pool operator;
- 10 (4) ~~[(5)]~~ salvage vehicle broker; or
- 11 (5) ~~[(6)]~~ salvage vehicle rebuilder.

12 SECTION 4.05. Subsection (d), Section 2302.107,
13 Occupations Code, is amended to read as follows:

14 (d) A salvage vehicle agent may acquire, sell, or otherwise
15 deal in, nonrepairable or salvage motor vehicles ~~[or used parts]~~ as
16 directed by the authorizing dealer.

17 SECTION 4.06. Section 2302.202, Occupations Code, is
18 amended to read as follows:

19 Sec. 2302.202. RECORDS OF PURCHASES. A salvage vehicle
20 dealer shall maintain a record of each salvage motor vehicle ~~[and~~
21 ~~each used part]~~ purchased or sold by the dealer.

22 SECTION 4.07. Subtitle A, Title 14, Occupations Code, is
23 amended by adding Chapter 2309 to read as follows:

24 CHAPTER 2309. USED AUTOMOTIVE PARTS RECYCLERS

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 2309.001. SHORT TITLE. This chapter may be cited as
27 the Texas Used Automotive Parts Recycling Act.

1 Sec. 2309.002. DEFINITIONS. In this chapter:

2 (1) "Insurance company," "metal recycler," "motor
3 vehicle," "nonrepairable motor vehicle," "nonrepairable vehicle
4 title," "salvage motor vehicle," "salvage vehicle title," and
5 "salvage vehicle dealer" have the meanings assigned by Section
6 501.091, Transportation Code.

7 (2) "Commission" means the Texas Commission of
8 Licensing and Regulation.

9 (3) "Department" means the Texas Department of
10 Licensing and Regulation.

11 (4) "Executive director" means the executive director
12 of the department.

13 (5) "Used automotive part" has the meaning assigned to
14 "used part" by Section 501.091, Transportation Code.

15 (6) "Used automotive parts recycler" means a person
16 licensed under this chapter to operate a used automotive parts
17 recycling business.

18 (7) "Used automotive parts recycling" means the
19 dismantling and reuse or resale of used automotive parts and the
20 safe disposal of salvage motor vehicles or nonrepairable motor
21 vehicles, including the resale of those vehicles.

22 Sec. 2309.003. APPLICABILITY OF CHAPTER TO METAL RECYCLERS.

23 (a) Except as provided by Subsection (b), this chapter does not
24 apply to a transaction to which a metal recycler is a party.

25 (b) This chapter applies to a transaction in which a motor
26 vehicle:

27 (1) is sold, transferred, released, or delivered to a

1 metal recycler as a source of used automotive parts; and

2 (2) is used as a source of used automotive parts.

3 Sec. 2309.004. APPLICABILITY OF CHAPTER TO SALVAGE VEHICLE
4 DEALERS. (a) Except as provided by Subsection (b), this chapter
5 does not apply to a transaction in which a salvage vehicle dealer is
6 a party.

7 (b) This chapter applies to a salvage vehicle dealer who
8 deals in used automotive parts as more than an incidental part of
9 the salvage vehicle dealer's primary business.

10 Sec. 2309.005. APPLICABILITY OF CHAPTER TO INSURANCE
11 COMPANIES. This chapter does not apply to an insurance company.

12 [Sections 2309.006-2309.050 reserved for expansion]

13 SUBCHAPTER B. ADVISORY BOARD

14 Sec. 2309.051. USED AUTOMOTIVE PARTS RECYCLING ADVISORY
15 BOARD. (a) The advisory board consists of five members
16 representing the used automotive parts industry in this state
17 appointed by the presiding officer of the commission with the
18 approval of the commission.

19 (b) The advisory board shall include members who represent
20 used automotive parts businesses owned by domestic entities, as
21 defined by Section 1.002, Business Organizations Code.

22 (c) The advisory board shall include one member who
23 represents a used automotive parts business owned by a foreign
24 entity, as defined by Section 1.002, Business Organizations Code.

25 (d) The advisory board may not include more than one member
26 from any one used automotive parts business entity.

27 (e) Appointments to the advisory board shall be made without

1 regard to the race, color, disability, sex, religion, age, or
2 national origin of the appointee.

3 Sec. 2309.052. TERMS; VACANCIES. (a) Advisory board
4 members serve terms of six years, with the terms of one or two
5 members expiring on February 1 of each odd-numbered year.

6 (b) A member may not serve more than two full consecutive
7 terms.

8 (c) If a vacancy occurs during a term, the presiding officer
9 of the commission shall appoint a replacement who meets the
10 qualifications of the vacated position to serve for the remainder
11 of the term.

12 Sec. 2309.053. PRESIDING OFFICER. The presiding officer of
13 the commission shall appoint one of the advisory board members to
14 serve as presiding officer of the advisory board for a term of one
15 year. The presiding officer of the advisory board may vote on any
16 matter before the advisory board.

17 Sec. 2309.054. POWERS AND DUTIES OF ADVISORY BOARD. The
18 advisory board shall provide advice and recommendations to the
19 department on technical matters relevant to the administration and
20 enforcement of this chapter, including licensing standards.

21 Sec. 2309.055. COMPENSATION; REIMBURSEMENT OF EXPENSES.
22 Advisory board members may not receive compensation but are
23 entitled to reimbursement for actual and necessary expenses
24 incurred in performing the functions of the advisory board, subject
25 to the General Appropriations Act.

26 Sec. 2309.056. MEETINGS. The advisory board shall meet
27 twice annually and may meet at other times at the call of the

1 presiding officer of the commission or the executive director.

2 [Sections 2309.057-2309.100 reserved for expansion]

3 SUBCHAPTER C. POWERS AND DUTIES OF COMMISSION AND DEPARTMENT

4 Sec. 2309.101. GENERAL POWERS AND DUTIES. The executive
5 director or commission, as appropriate, may take action as
6 necessary to administer and enforce this chapter.

7 Sec. 2309.102. RULES. (a) The commission shall adopt
8 rules for licensing used automotive parts recyclers and used
9 automotive parts employees.

10 (b) The commission by rule shall adopt standards of conduct
11 for license holders under this chapter.

12 Sec. 2309.103. RULES REGARDING LICENSING AND STANDARDS OF
13 CONDUCT. (a) The commission shall adopt rules for licensing
14 applicants, including rules for denial of an application if the
15 applicant, a partner, principal, officer, or general manager of the
16 applicant, or another license or permit holder with a connection to
17 the applicant, has:

18 (1) before the application date, been convicted of,
19 pleaded guilty or nolo contendere to, or been placed on deferred
20 adjudication for:

21 (A) a felony; or

22 (B) a misdemeanor punishable by confinement in
23 jail or by a fine exceeding \$500;

24 (2) violated an order of the commission or executive
25 director, including an order for sanctions or administrative
26 penalties; or

27 (3) knowingly submitted false information on the

1 application.

2 (b) The commission by rule shall adopt standards of conduct
3 for license holders under this chapter.

4 Sec. 2309.104. FEES. The commission shall establish and
5 collect reasonable and necessary fees in amounts sufficient to
6 cover the costs of administering this chapter.

7 Sec. 2309.105. RULES RESTRICTING ADVERTISING OR
8 COMPETITIVE BIDDING. (a) The commission may not adopt a rule
9 restricting advertising or competitive bidding by a person who
10 holds a license issued under this chapter except to prohibit false,
11 misleading, or deceptive practices by the person.

12 (b) The commission may not include in its rules to prohibit
13 false, misleading, or deceptive practices a rule that:

14 (1) restricts the use of any advertising medium;

15 (2) restricts the person's personal appearance or use
16 of the person's voice in an advertisement;

17 (3) relates to the size or duration of an
18 advertisement by the person; or

19 (4) restricts the use of a trade name in advertising by
20 the person.

21 Sec. 2309.106. PERIODIC AND RISK-BASED INSPECTIONS.

22 (a) The department shall inspect each used automotive parts
23 recycling facility at least once every two years.

24 (b) The department may enter and inspect at any time during
25 business hours:

26 (1) the place of business of any person regulated
27 under this chapter; or

1 (2) any place in which the department has reasonable
2 cause to believe that a license holder is in violation of this
3 chapter or in violation of a rule or order of the commission or
4 executive director.

5 (c) The department shall conduct additional inspections
6 based on a schedule of risk-based inspections using the following
7 criteria:

8 (1) the inspection history;

9 (2) any history of complaints involving a used
10 automotive parts recycler; and

11 (3) any other factor determined by the commission by
12 rule.

13 (d) A used automotive parts recycler shall pay a fee for
14 each risk-based inspection performed under this section. The
15 commission by rule shall set the amount of the fee.

16 (e) In conducting an inspection under this section, the
17 department may inspect a facility, a used automotive part, a
18 business record, or any other place or thing reasonably required to
19 enforce this chapter or a rule or order adopted under this chapter.

20 Sec. 2309.107. PERSONNEL. The department may employ
21 personnel necessary to administer and enforce this chapter.

22 [Sections 2309.108-2309.150 reserved for expansion]

23 SUBCHAPTER D. LICENSE REQUIREMENTS

24 Sec. 2309.151. USED AUTOMOTIVE PARTS RECYCLER LICENSE
25 REQUIRED. (a) Unless the person holds a used automotive parts
26 recycler license issued under this chapter, a person may not own or
27 operate a used automotive parts recycling business or sell used

1 automotive parts.

2 (b) A used automotive parts recycler license:

3 (1) is valid only with respect to the person who
4 applied for the license; and

5 (2) authorizes the license holder to operate a used
6 automotive parts recycling business only at the one facility listed
7 on the license.

8 Sec. 2309.152. GENERAL LICENSE APPLICATION REQUIREMENTS.

9 An applicant for a used automotive parts recycler license under
10 this chapter must submit to the department:

11 (1) a completed application on a form prescribed by
12 the executive director;

13 (2) the required fees; and

14 (3) any other information required by commission rule.

15 Sec. 2309.153. LICENSE REQUIREMENTS. An applicant for a
16 used automotive parts recycler license under this chapter must
17 provide in a manner prescribed by the executive director:

18 (1) a federal tax identification number;

19 (2) proof of general liability insurance in an amount
20 not less than \$250,000; and

21 (3) proof of a storm water permit if the applicant is
22 required by the Texas Commission on Environmental Quality to obtain
23 a permit.

24 Sec. 2309.154. USED AUTOMOTIVE PARTS EMPLOYEE LICENSE

25 REQUIRED. (a) A person employed by a used automotive parts

26 recycler may not in the scope of the person's employment acquire a

27 vehicle or used automotive parts and may not sell used automotive

1 parts unless the person holds a used automotive parts employee
2 license issued under this chapter.

3 (b) The commission by rule shall adopt requirements for the
4 application for and issuance of a used automotive parts employee
5 license under this chapter.

6 Sec. 2309.155. NONTRANSFERABILITY OF LICENSE. A license
7 issued by the executive director is valid throughout this state and
8 is not transferable.

9 Sec. 2309.156. LICENSE RENEWAL. (a) A license issued under
10 this chapter is valid for one year. The department may adopt a
11 system under which licenses expire at different times during the
12 year.

13 (b) The department shall notify the license holder at least
14 30 days before the date a license expires. The notice must be in
15 writing and sent to the license holder's last known address
16 according to the records of the department.

17 (c) The commission by rule shall adopt requirements to renew
18 a license issued under this chapter.

19 [Sections 2309.157-2309.200 reserved for expansion]

20 SUBCHAPTER E. LOCAL REGULATION

21 Sec. 2309.201. APPLICABILITY OF CERTAIN MUNICIPAL
22 ORDINANCES, LICENSES, AND PERMITS. (a) The requirements of this
23 chapter apply in addition to the requirements of any applicable
24 municipal ordinance relating to the regulation of a person who
25 deals in used automotive parts.

26 (b) This chapter does not prohibit the enforcement of an
27 applicable municipal license or permit requirement that is related

1 to an activity regulated under this chapter.

2 [Sections 2309.202-2309.250 reserved for expansion]

3 SUBCHAPTER F. ENFORCEMENT

4 Sec. 2309.251. ADMINISTRATIVE PENALTY. (a) The commission
5 may impose an administrative penalty on a person under Subchapter
6 F, Chapter 51, regardless of whether the person holds a license
7 under this chapter, if the person violates:

8 (1) this chapter or a rule adopted under this chapter;

9 or

10 (2) a rule or order of the executive director or
11 commission.

12 (b) An administrative penalty may not be imposed unless the
13 person charged with a violation is provided the opportunity for a
14 hearing.

15 Sec. 2309.252. CEASE AND DESIST ORDER; INJUNCTION; CIVIL
16 PENALTY. (a) The executive director may issue a cease and desist
17 order as necessary to enforce this chapter if the executive
18 director determines that the action is necessary to prevent a
19 violation of this chapter and to protect public health and safety.

20 (b) The attorney general or executive director may
21 institute an action for an injunction or a civil penalty under this
22 chapter as provided by Section 51.352.

23 Sec. 2309.253. SANCTIONS. The department may impose
24 sanctions as provided by Section 51.353.

25 Sec. 2309.254. CRIMINAL PENALTY; LICENSING. (a) A person
26 commits an offense if the person:

27 (1) violates the licensing requirements of this

1 chapter;

2 (2) deals in used parts without a license required by
3 this chapter; or

4 (3) employs an individual who does not hold the
5 appropriate license required by this chapter.

6 (b) An offense under this section is a Class C misdemeanor.

7 [Sections 2309.255-2309.300 reserved for expansion]

8 SUBCHAPTER G. CONDUCTING BUSINESS

9 Sec. 2309.301. DUTIES ON ACQUISITION OF SALVAGE MOTOR
10 VEHICLE. (a) A used automotive parts recycler who acquires
11 ownership of a salvage motor vehicle shall obtain a properly
12 assigned title from the previous owner of the vehicle.

13 (b) A used automotive parts recycler who acquires ownership
14 of a motor vehicle, nonrepairable motor vehicle, or salvage motor
15 vehicle for the purpose of dismantling, scrapping, or destroying
16 the motor vehicle, shall, before the 31st day after the date of
17 acquiring the motor vehicle, submit to the Texas Department of
18 Transportation a properly assigned manufacturer's certificate of
19 origin, regular certificate of title, nonrepairable vehicle title,
20 salvage vehicle title, other ownership document, or comparable
21 out-of-state ownership document for the motor vehicle.

22 (c) After receiving the title or document, the Texas
23 Department of Transportation shall issue the used automotive parts
24 recycler a receipt for the manufacturer's certificate of origin,
25 regular certificate of title, nonrepairable vehicle title, salvage
26 vehicle title, other ownership document, or comparable
27 out-of-state ownership document.

1 (d) The recycler shall comply with Subchapter E, Chapter
2 501, Transportation Code.

3 Sec. 2309.302. RECORDS OF PURCHASES. A used automotive
4 parts recycler shall maintain a record of or sales receipt for each
5 motor vehicle, salvage motor vehicle, nonrepairable motor vehicle,
6 and used automotive part purchased.

7 Sec. 2309.303. REGISTRATION OF NEW BUSINESS LOCATION.
8 Before moving a place of business, a used automotive parts recycler
9 must notify the department of the new location. The used automotive
10 parts recycler shall provide a storm water permit for the location
11 if a permit is required by the Texas Commission on Environmental
12 Quality.

13 [Sections 2309.304-2309.350 reserved for expansion]

14 SUBCHAPTER H. ADDITIONAL DUTIES OF USED AUTOMOTIVE PARTS RECYCLER
15 IN CONNECTION WITH MOTOR VEHICLE COMPONENT PARTS

16 Sec. 2309.351. DEFINITIONS. In this subchapter:

17 (1) "Component part" means a major component part as
18 defined by Section 501.091, Transportation Code, or a minor
19 component part.

20 (2) "Interior component part" means a motor vehicle's
21 seat or radio.

22 (3) "Minor component part" means an interior component
23 part, a special accessory part, or a motor vehicle part that
24 displays or should display at least one of the following:

25 (A) a federal safety certificate;

26 (B) a motor number;

27 (C) a serial number or a derivative; or

1 (D) a manufacturer's permanent vehicle
2 identification number or a derivative.

3 (4) "Special accessory part" means a motor vehicle's
4 tire, wheel, tailgate, or removable glass top.

5 Sec. 2309.352. REMOVAL OF LICENSE PLATES. Immediately on
6 receipt of a motor vehicle, a used automotive parts recycler shall:

7 (1) remove any unexpired license plates from the
8 vehicle; and

9 (2) place the license plates in a secure place until
10 destroyed by the used automotive parts recycler.

11 Sec. 2309.353. DISMANTLEMENT OR DISPOSITION OF MOTOR
12 VEHICLE. A used automotive parts recycler may not dismantle or
13 dispose of a motor vehicle unless the recycler first obtains:

14 (1) a certificate of authority to dispose of the
15 vehicle, a sales receipt, or a transfer document for the vehicle
16 issued under Chapter 683, Transportation Code; or

17 (2) a certificate of title showing that there are no
18 liens on the vehicle or that all recorded liens have been released.

19 Sec. 2309.354. RECORD OF PURCHASE; INVENTORY OF PARTS.

20 (a) A used automotive parts recycler shall keep an accurate and
21 legible record of each used component part purchased by or
22 delivered to the recycler. The record must include:

23 (1) the date of purchase or delivery;

24 (2) the driver's license number of the seller and a
25 legible photocopy of the seller's driver's license; and

26 (3) a description of the part and, if applicable, the
27 make and model of the part.

1 (b) As an alternative to the information required by
2 Subsection (a), a used automotive parts recycler may record:

3 (1) the name of the person who sold the part or the
4 motor vehicle from which the part was obtained; and

5 (2) the Texas certificate of inventory number or the
6 federal taxpayer identification number of the person.

7 (c) The department shall prescribe the form of the record
8 required by Subsection (a) and shall make the form available to used
9 automotive parts recyclers.

10 (d) This section does not apply to:

11 (1) an interior component part or special accessory
12 part from a motor vehicle more than 10 years old; or

13 (2) a part delivered to a used automotive parts
14 recycler by a commercial freight line, commercial carrier, or
15 licensed used automotive parts recycler.

16 Sec. 2309.355. RETENTION OF COMPONENT PARTS. (a) A used
17 automotive parts recycler shall retain each component part in its
18 original condition on the business premises of the recycler for at
19 least three calendar days, excluding Sundays, after the date the
20 recycler obtains the part.

21 (b) This section does not apply to the purchase by a used
22 automotive parts recycler of a nonoperational engine,
23 transmission, or rear axle assembly from another used automotive
24 parts recycler or an automotive-related business.

25 Sec. 2309.356. MAINTENANCE OF RECORDS. A used automotive
26 parts recycler shall maintain copies of each record required under
27 this subchapter until the first anniversary of the purchase date of

1 the item for which the record is maintained.

2 Sec. 2309.357. SURRENDER OF CERTAIN DOCUMENTS OR LICENSE
3 PLATES. (a) A used automotive parts recycler shall surrender to
4 the Texas Department of Transportation for cancellation a
5 certificate of title or authority, sales receipt, or transfer
6 document, as required by the department.

7 (b) The Texas Department of Transportation shall provide a
8 signed receipt for a surrendered certificate of title.

9 Sec. 2309.358. INSPECTION OF RECORDS. (a) A peace officer
10 at any reasonable time may inspect a record required to be
11 maintained under this subchapter, including an inventory record.

12 (b) On demand by a peace officer, a used automotive parts
13 recycler shall provide to the officer a copy of a record required to
14 be maintained under this subchapter.

15 (c) A peace officer may inspect the inventory on the
16 premises of a used automotive parts recycler at any reasonable time
17 to verify, check, or audit the records required to be maintained
18 under this subchapter.

19 (d) A used automotive parts recycler or an employee of the
20 recycler shall allow and may not interfere with a peace officer's
21 inspection of the recycler's inventory, premises, or required
22 inventory records.

23 [Sections 2309.359-2309.400 reserved for expansion]

24 SUBCHAPTER I. MOTOR VEHICLE SALVAGE YARDS IN CERTAIN COUNTIES

25 Sec. 2309.401. APPLICABILITY OF SUBCHAPTER. This
26 subchapter applies only to a used automotive parts facility located
27 in a county with a population of 2.8 million or more.

1 Sec. 2309.402. LIMITS ON OPERATION OF HEAVY MACHINERY. (a)

2 A used automotive parts recycler may not operate heavy machinery in
3 a used automotive parts recycling facility between the hours of 7
4 p.m. of one day and 7 a.m. of the following day.

5 (b) This section does not apply to conduct necessary to a
6 sale or purchase by the recycler.

7 SECTION 4.08. Section 501.091, Transportation Code, is
8 amended by amending Subdivision (17) and adding Subdivision (20) to
9 read as follows:

10 (17) "Salvage vehicle dealer" means a person engaged
11 in this state in the business of acquiring, selling, [~~dismantling,~~
12 repairing, rebuilding, reconstructing, or otherwise dealing in
13 nonrepairable motor vehicles, salvage motor vehicles, or, if
14 incidental to a salvage motor vehicle dealer's primary business,
15 used automotive parts. The term does not include a person who
16 casually repairs, rebuilds, or reconstructs fewer than five [~~three~~
17 salvage motor vehicles in the same calendar year or, except as
18 provided by Paragraph (C), a used automotive parts recycler. The
19 term includes a person engaged in the business of:

20 (A) a salvage vehicle dealer, regardless of
21 whether the person holds a license issued by the department to
22 engage in that business;

23 (B) dealing in nonrepairable motor vehicles or
24 salvage motor vehicles [~~, regardless of whether the person deals in~~
25 ~~used parts~~]; or

26 (C) a used automotive parts recycler if the sale
27 of repaired, rebuilt, or reconstructed nonrepairable motor

1 vehicles or salvage motor vehicles is more than an incidental part
2 of the used automotive parts recycler's business [~~dealing in used~~
3 ~~parts regardless of whether the person deals in nonrepairable motor~~
4 ~~vehicles or salvage motor vehicles~~].

5 (20) "Used parts dealer" and "used automotive parts
6 recycler" have the meaning assigned to "used automotive parts
7 recycler" by Section 2309.002, Occupations Code.

8 SECTION 4.09. Subsection (d), Section 501.092,
9 Transportation Code, is amended to read as follows:

10 (d) An insurance company may sell a motor vehicle to which
11 this section applies, or assign a salvage vehicle title or a
12 nonrepairable vehicle title for the motor vehicle, only to a
13 salvage vehicle dealer, an out-of-state buyer, a buyer in a casual
14 sale at auction, [~~or~~] a metal recycler, or a used automotive parts
15 recycler. If the motor vehicle is not a salvage motor vehicle or a
16 nonrepairable motor vehicle, the insurance company is not required
17 to surrender the regular certificate of title for the vehicle or to
18 be issued a salvage vehicle title or a nonrepairable vehicle title
19 for the motor vehicle.

20 SECTION 4.10. Subsections (a) and (b), Section 501.095,
21 Transportation Code, are amended to read as follows:

22 (a) If the department has not issued a nonrepairable vehicle
23 title or salvage vehicle title for the motor vehicle and an
24 out-of-state ownership document for the motor vehicle has not been
25 issued by another state or jurisdiction, a business or governmental
26 entity described by Subdivisions (1)-(3) may sell, transfer, or
27 release a nonrepairable motor vehicle or salvage motor vehicle only

1 to a person who is:

2 (1) a licensed salvage vehicle dealer, a used
3 automotive parts recycler under Chapter 2309, Occupations Code, or
4 a metal recycler under Chapter 2302, Occupations Code;

5 (2) an insurance company that has paid a claim on the
6 nonrepairable or salvage motor vehicle;

7 (3) a governmental entity; or

8 (4) an out-of-state buyer.

9 (b) A person, other than a salvage vehicle dealer, a used
10 automotive parts recycler, or an insurance company licensed to do
11 business in this state, who acquired ownership of a nonrepairable
12 or salvage motor vehicle that has not been issued a nonrepairable
13 vehicle title, salvage vehicle title, or a comparable ownership
14 document issued by another state or jurisdiction shall, before
15 selling the motor vehicle, surrender the properly assigned
16 certificate of title for the motor vehicle to the department and
17 apply to the department for:

18 (1) a nonrepairable vehicle title if the vehicle is a
19 nonrepairable motor vehicle; or

20 (2) a salvage vehicle title if the vehicle is a salvage
21 motor vehicle.

22 SECTION 4.11. Section 501.105, Transportation Code, is
23 amended to read as follows:

24 Sec. 501.105. RETENTION OF RECORDS RELATING TO CERTAIN
25 CASUAL SALES. Each licensed salvage vehicle dealer, used
26 automotive parts recycler, or insurance company that sells a
27 nonrepairable motor vehicle or a salvage motor vehicle at a casual

1 sale shall keep on the business premises of the dealer or the
2 insurance company a list of all casual sales made during the
3 preceding 36-month period that contains:

- 4 (1) the date of the sale;
- 5 (2) the name of the purchaser;
- 6 (3) the name of the jurisdiction that issued the
7 identification document provided by the purchaser, as shown on the
8 document; and
- 9 (4) the vehicle identification number.

10 SECTION 4.12. Section 2302.253, Occupations Code, is
11 repealed.

12 SECTION 4.13. Not later than January 1, 2010, the Texas
13 Commission of Licensing and Regulation shall adopt rules under
14 Section 2309.102, Occupations Code, as added by this Act.

15 SECTION 4.14. If there is a conflict between a provision of
16 this Act and a provision of another Act of the 81st Legislature,
17 Regular Session, 2009, that becomes law concerning the licensing or
18 regulation of used automotive parts recyclers, this Act prevails
19 regardless of the relative dates of enactment.

20 SECTION 4.15. Sections 2309.151 and 2309.154, Occupations
21 Code, as added by this article, and Subchapter F, Chapter 2309,
22 Occupations Code, as added by this article, take effect September
23 1, 2010.

24 ARTICLE 5. MANUFACTURER OR DISTRIBUTOR OWNERSHIP, OPERATION, OR
25 CONTROL OF DEALERSHIP

26 SECTION 5.01. Section 2301.476, Occupations Code, is
27 amended by adding Subsection (h-1) to read as follows:

1 (c) In connection with the transfers required by
2 Subsections (a) and (b) of this section, the personnel, furniture,
3 computers, other property and equipment, files, and related
4 materials used by the Motor Vehicle Division, the Vehicle Titles
5 and Registration Division, or the portion of the Motor Carrier
6 Division of the Texas Department of Transportation described in
7 Subsection (b) of this section are transferred to the Texas
8 Department of Motor Vehicles.

9 (d) The Texas Department of Motor Vehicles shall continue
10 any proceeding involving the Motor Vehicle Division, the Vehicle
11 Titles and Registration Division, or the portion of the Motor
12 Carrier Division of the Texas Department of Transportation
13 described in Subsection (b) of this section that was brought before
14 the effective date of this Act in accordance with the law in effect
15 on the date the proceeding was brought, and the former law is
16 continued in effect for that purpose.

17 (e) A certificate, license, document, permit, registration,
18 or other authorization issued by the Motor Vehicle Division or the
19 Vehicle Titles and Registration Division of the Texas Department of
20 Transportation or a registration issued by the Motor Carrier
21 Division of the Texas Department of Transportation that is in
22 effect on the effective date of this Act remains valid for the
23 period for which it was issued unless suspended or revoked by the
24 Texas Department of Motor Vehicles.

25 (f) A rule adopted by the Texas Transportation Commission or
26 the executive director of the Texas Department of Transportation in
27 connection with or relating to the Motor Vehicle Division, the

1 Vehicle Titles and Registration Division, or the portion of the
2 Motor Carrier Division of the Texas Department of Transportation
3 described in Subsection (b) of this section continues in effect
4 until it is amended or repealed by the board of the Texas Department
5 of Motor Vehicles or the Texas Department of Motor Vehicles, as
6 applicable.

7 (g) The unobligated and unexpended balance of any
8 appropriations made to the Texas Department of Transportation in
9 connection with or relating to the Motor Vehicle Division, the
10 Vehicle Titles and Registration Division, or the portion of the
11 Motor Carrier Division of the Texas Department of Transportation
12 described in Subsection (b) of this section for the state fiscal
13 biennium ending August 31, 2009, is transferred and reappropriated
14 to the Texas Department of Motor Vehicles for the purpose of
15 implementing the powers, duties, obligations, and rights of action
16 transferred to that department under Subsections (a) and (b) of
17 this section.

18 (h) The Texas Department of Transportation shall continue,
19 as necessary, to perform the duties and functions being transferred
20 to the Texas Department of Motor Vehicles until the transfer of
21 agency duties and functions is complete.

22 SECTION 6.02. (a) In connection with the establishment by
23 this Act of the Automobile Burglary and Theft Prevention Authority
24 in the Texas Department of Motor Vehicles and with the transfer by
25 this Act of the duty to provide personnel and services to the
26 Automobile Burglary and Theft Prevention Authority from the Texas
27 Department of Transportation to the Texas Department of Motor

1 Vehicles, the personnel, furniture, computers, other property and
2 equipment, files, and related materials used by the Automobile
3 Burglary and Theft Prevention Authority are transferred to the
4 Texas Department of Motor Vehicles.

5 (b) The unobligated and unexpended balance of any
6 appropriations made to the Texas Department of Transportation in
7 connection with or relating to the Automobile Burglary and Theft
8 Prevention Authority for the state fiscal biennium ending August
9 31, 2009, is transferred and reappropriated to the Texas Department
10 of Motor Vehicles for the purpose of allowing the authority to
11 continue to exercise its powers, duties, and obligations under the
12 auspices of that department.

13 SECTION 6.03. (a) In addition to the positions of the Texas
14 Department of Transportation assigned to the Vehicle Titles and
15 Registration Division, Motor Vehicle Division, Motor Carrier
16 Division, and Automobile Burglary and Theft Prevention Authority
17 Division that are transferred to the Texas Department of Motor
18 Vehicles, it is estimated that 75 other full-time equivalent
19 employee positions of the Texas Department of Transportation
20 primarily support the transferred divisions and, subject to this
21 section, those positions are also transferred to the Texas
22 Department of Motor Vehicles. The number of positions transferred
23 under this subsection may be modified by agreement of the two
24 agencies in a memorandum of understanding.

25 (b) If in another Act of the 81st Legislature, Regular
26 Session, 2009, the legislature establishes a maximum number of
27 full-time equivalent employee positions for the Texas Department of

1 Motor Vehicles, the number of positions transferred under
2 Subsection (a) of this section may not result in a number of
3 full-time equivalent employee positions of that department that
4 exceeds the maximum.

5 (c) When filling a position described by Subsection (a) of
6 this section, the Texas Department of Motor Vehicles shall give
7 first consideration to an applicant who, as of September 1, 2009,
8 was a full-time employee of the Texas Department of Transportation
9 and primarily supported one or more of the transferred divisions.

10 ARTICLE 7. APPOINTMENT OF BOARD

11 SECTION 7.01. Not later than October 1, 2009, the governor
12 shall appoint the members of the board of the Texas Department of
13 Motor Vehicles in accordance with Subchapter B, Chapter 1001,
14 Transportation Code, as added by this Act.

15 ARTICLE 8. MEMORANDUM OF UNDERSTANDING

16 SECTION 8.01. (a) The board of the Texas Department of
17 Motor Vehicles and the Texas Transportation Commission shall enter
18 into or revise a joint memorandum of understanding to coordinate
19 the Texas Department of Motor Vehicles' and the Texas Department of
20 Transportation's information systems to allow for the sharing of
21 information so that each department may effectively and efficiently
22 perform the functions and duties assigned to it. Neither the Texas
23 Department of Motor Vehicles nor the Texas Department of
24 Transportation may impose or collect a fee or charge in connection
25 with the sharing of information under a joint memorandum of
26 understanding entered into or revised under this section.

27 (b) The Texas Department of Motor Vehicles and the Texas

1 Department of Transportation shall implement the joint memorandum
2 of understanding using existing personnel and resources.

3 (c) Otherwise confidential information shared under the
4 memorandum of understanding remains subject to the same
5 confidentiality requirements and legal restrictions on access to
6 the information that are imposed by law on the department that
7 originally obtained or collected the information.

8 (d) Information may be shared under the memorandum of
9 understanding without the consent of the person who is the subject
10 of the information.

11 (e) The memorandum of understanding required by Subsection
12 (a) of this section must be entered into or revised at the first
13 official meeting of the board members of the Texas Department of
14 Motor Vehicles.

15 SECTION 8.02. (a) In addition to the memorandum of
16 understanding required by Section 8.01 of this article, the board
17 of the Texas Department of Motor Vehicles and the Texas
18 Transportation Commission may enter into or revise one or more
19 other joint memoranda of understanding necessary to effectuate the
20 transfer of the powers and duties of the Texas Department of
21 Transportation to the Texas Department of Motor Vehicles under this
22 Act. A memorandum of understanding may include an agreement for the
23 provision of office space, utilities, and other facility services;
24 the need for full-time equivalent positions of the Texas Department
25 of Transportation to provide support services in addition to the
26 positions transferred to the Texas Department of Motor Vehicles
27 under Section 6.01 of this Act; support services; and the transfer

1 of information technology as necessary or appropriate to effectuate
2 the transfer of the powers and duties of the Texas Department of
3 Transportation to the Texas Department of Motor Vehicles.

4 (b) Subsections (b), (c), and (d) of Section 8.01 of this
5 article apply to a memorandum of understanding entered into or
6 revised under Subsection (a) of this section.

7 ARTICLE 9. DEPARTMENT OF MOTOR VEHICLES TRANSITION TEAM

8 SECTION 9.01. (a) The Texas Department of Transportation
9 shall establish a Department of Motor Vehicles Transition Team to
10 plan for and make recommendations regarding the transfer of
11 obligations, property, full-time equivalent positions, rights,
12 powers, and duties from the Texas Department of Transportation to
13 the Texas Department of Motor Vehicles. The transition team must
14 include the division directors from the Motor Vehicle Division, the
15 Vehicle Titles and Registration Division, and the Motor Carrier
16 Division and the Assistant Executive Director for Support
17 Operations.

18 (b) Not later than October 1, 2009, the transition team
19 shall report on and make recommendations to the board of the Texas
20 Department of Motor Vehicles, the governor, the lieutenant
21 governor, the speaker of the house of representatives, and the
22 presiding officers of the senate and house committees with
23 jurisdiction over transportation regarding the transfer of
24 obligations, property, full-time equivalent positions, rights,
25 powers, and duties from the Texas Department of Transportation to
26 the Texas Department of Motor Vehicles.

ARTICLE 10. FINANCIAL AUDIT

SECTION 10.01. (a) As soon as practicable after the effective date of this Act, the office of the state auditor shall conduct an initial financial audit to establish financial benchmarks for the Texas Department of Motor Vehicles on its overall status and condition in relation to funds on hand, equipment and other assets, pending matters, and other issues considered appropriate by the office of the state auditor.

(b) As soon as practicable after the completion of the audit required by Subsection (a) of this section, the results of the audit shall be reported by the office of the state auditor to the board of the Texas Department of Motor Vehicles and to the Texas Transportation Commission. The office of the state auditor shall also provide a copy of the audit to the board and the commission.

ARTICLE 11. EFFECTIVE DATE

SECTION 11.01. This Act takes effect September 1, 2009.

President of the Senate

Speaker of the House

I certify that H.B. No. 3097 was passed by the House on May 6, 2009, by the following vote: Yeas 144, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 3097 on May 23, 2009, by the following vote: Yeas 135, Nays 7, 3 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3097 was passed by the Senate, with amendments, on May 19, 2009, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor